

Executive Summary

FY 2001 Adopted Budget

OVERVIEW & PROCESS

The Adopted Budget for FY 2001 addresses the critical budget priorities of the City Council as expressed at the recent Goals and Objectives Worksession, eliminates a projected General Fund shortfall, and requires no increase in the overall property tax rate for the eighth consecutive year remaining at 57.979 cents per \$100 valuation. Continuing to focus on prudent financial management, the Adopted Budget includes a \$2.3 million increase to the City's Reserve for Revenue Loss for a total reserve of \$23.2 million by the end of FY 2001.

Staff began the budget process early in the year with preparation of the Five Year Financial Forecast. The Forecast is a financial and budgetary planning tool which identifies emerging issues that will be encountered in the next five years and that will have a fiscal impact upon the City's program of services. In addition, the Forecast serves as a foundation for development of the Adopted Budget by projecting revenues and anticipated expenditures under a defined set of assumptions. The Forecast allows the City Council and staff to identify financial issues in sufficient time to develop a proactive strategy in order to meet emerging strategic issues.

The Forecast, which was presented to the City Council on May 25, 2000, assumed modest growth in revenues and expenditures. The Forecast for FY 2001 was based upon the continuation of existing services at the FY 2000 level with adjustments for inflation and mandates. The Forecast projected a General Fund ending balance of \$21.08 million in FY 2000 with shortfalls anticipated in FY 2001 and FY 2002 of \$7.97 million and \$23.12 million, respectively, followed by three years of positive fund balances.

Following the presentation of the Five Year Financial Forecast, the City Council held the Goals and Objectives Worksession on June 16. This year was the eleventh consecutive year in which the City Council met to determine its priorities for the coming budget deliberations. Under the leadership of the Mayor, participation in this year's worksessions once again included not only City Council members, but policy advisors from each respective Council district, advisors from key sectors of the community and City department heads. The worksession participants focused on establishing FY 2001 Budget Priorities through a three-step process using as reference the 61 Strategic Issues identified in the Five Year Financial Forecast and a status report on the Two Year Agenda (June 1999 through May 2001) set last year by the participants at the June 1999 Goals & Objectives Worksession.

First, the worksession participants developed an overall agenda of priority actions to be undertaken within the remaining term of the present Council (June 2000 through May 2001). Secondly, the Councilmembers, citizen advisors and staff working together narrowed the coming year agenda list to a set of adopted FY 2001 Budget Priorities. Finally, using the adopted FY 2001 Budget Priorities developed by all the participants as a basis, the Council, by consensus, finalized the selection of a list of 13 FY 2001 Budget Priorities. The City staff, in turn, used the Council's FY 2001 Budget Priorities as the basis for formulating the recommended service level enhancements which were contained in the Proposed Budget for FY 2001. A listing of the Council's FY 2001 Budget Priorities, cross-referenced to the Five Year Financial Forecast Strategic Issues, is provided immediately preceding this Executive Summary.

Continuing to recognize the need to effectively communicate the City's ability to address City Council priorities and demonstrate the organization's ability to meet the needs of the community, the Proposed Budget document reflects updated program information, goals and objectives and performance measures for each department. Department directors met with the Management Team in April and May to review the departments' goals and objectives for the upcoming fiscal year. During these meetings, staff

presented existing and proposed performance indicators which will help them track the City's progress in the efficient and effective delivery of services to citizens and achieve their stated goals and objectives. The performance indicators are divided into four categories which track the following: the demand for service (Input), the workload produced (Output), the management of resources (Efficiency), and the quality of the work performed (Effectiveness). These categories are also designed to demonstrate and validate the impact of adopted improvements to service delivery.

The FY 2001 Proposed Budget was developed within the context of revised projected funds available and the City Council FY 2001 Budget Priorities. Departments were given target budgets based on current service requirements and allowed to submit expenditure proposals within the target amount. The target budgets submitted represent the departments' best judgment on how resources should be allocated based on their experience on the most effective method for delivering services. The departments were also asked to prepare program reductions equivalent to 2% of the base budget. In June and July, the Management Team met with each department director to review the department's estimated commitments for FY 2000, FY 2001 base budgets, program reductions, adopted program improvements, projected mandates, revenue enhancements, and performance measures based on the City Council FY 2001 Budget Priorities.

After receipt of the Proposed Budget, the City Council held a series of worksessions to review the proposed service program details. The Budget Worksessions included a review of revenues and presentations by departments that included a description of the significant policy issues. After considering all the recommendations and receiving input from citizens at three public hearings, City Council amended the budget by balancing program revenues and expenditures to make the proposed service plan more closely track the Council priority objectives. The specific adjustments to the General Fund and the Hotel/Motel Fund are detailed on the schedules provided below.

Amendments to the Proposed General Fund Budget

ADDED AMENDMENTS

Category	Description	Amount
Better Jobs	Education Partnership (5 high schools - 5 Counselors for Six Months)	\$93,876
Better Jobs	* Education Partnership (5 high schools - Class of 2001 Scholarships Only)	540,000
Better Jobs	Better Jobs Office: Asst. to City Manager & Support	182,000
Better Jobs	UTSA PREP	40,500
CRAG	* Housing Rehabilitation Waiting List	400,000
Water	* Open Space Linear Park Connectivity Plan	25,000
Econ. Development	* Kelly Redevelopment: Air Cargo & Aircraft Maint. Expansion Project	1,150,000
Econ. Development	* UTSA Biotechnology Center	913,600
Econ. Development	Southeastern Mexico Initiatives Position	50,000
Econ. Development	Contribution to Community Economic Revitalization Agency (CERA)	71,250
Public Safety Plans	Police Directed Patrol Overtime	229,000
Public Safety Plans	Eliminate Proposed Vehicle Extrication Fee	204,787
Comm. & Cult. Init.	* Southwest Multi-Service Center Planning	100,000
Human Development	Any Baby Can	70,000
Human Development	Council Senior Services Projects (Increase to \$30K apiece)	100,000
Other	* Council One-Time District Projects (Increase to \$400 K apiece)	138,996
TOTAL ADDED AMENDMENTS		\$4,309,009

* One-Time Expenditures

SUPPORTING SOURCES

Department/Source	Description	Amount
CPS Revenues	Re-estimate of CPS Revenues	\$1,237,000
Transfers-In	Interest Earned from CPS Lease-Lease Back Payments	290,000
Various	Budget-Wide Available Misc. Fund Balances & Transfers	1,559,898
City Clerk	Eliminate Additional Van for Records Facility	18,000
Community Relations	Reduce Additional 311 Representatives from 4 to 2	44,180
Contr. Other Agencies	Eliminate Intensive Life Skills Training Improvement	68,000
Fire	Updated Schedule for Opening of Two New Fire Stations	728,235
Health	Reduce Upgrade to Animal Control Fleet	3,812
Intergov. Relations	Reduce Better Jobs Legislative Representation Improvement	25,000
Library	Reduce Master Plan Consultant Services	25,000
Mayor & Council	Eliminate Additional Senior Admin. Assistant Position	37,085
Non-Dept./Non-Op.	Eliminate Proposed Customer Service Survey	35,000
Non-Dept./Non-Op.	Eliminate Proposed Art Activities for Project Worth	10,000
Parks & Recreation	Reduce Proposed Asphalt Crew from 6 to 3 Positions	35,286
Parks & Recreation	Reduce Added Graffiti Removal Positions From 3 to 2	27,453
Public Works	Reduce Added Customer Service Positions From 6 to 4	80,060
Special Projects Office	Reduce Housing Master Plan & Annual Summit Improvement	50,000
Special Projects Office	Eliminate Proposed Central City Ambassadors Program	35,000
TOTAL SUPPORTING SOURCES		\$4,309,009

Amendments to the Proposed Hotel/Motel Fund Budget

ADDED AMENDMENTS

Category	Description	Amount
Econ. Development	Southeastern Mexico Initiatives Position	\$19,000
Comm. & Cult. Init.	One-Time Contr. To Sports Foundation for Pan Am Games	250,000
Comm. & Cult. Init.	One-Time Challenge Contribution to Symphony	300,000
TOTAL ADDED AMENDMENTS		\$569,000

SUPPORTING SOURCES

Department/Source	Description	Amount
Transfers-Out	Reduce Transfer to Pan Am Games Reserve	\$550,000
Fund Balance	Reduce Fund Balance	19,000
TOTAL SUPPORTING SOURCES		\$569,000

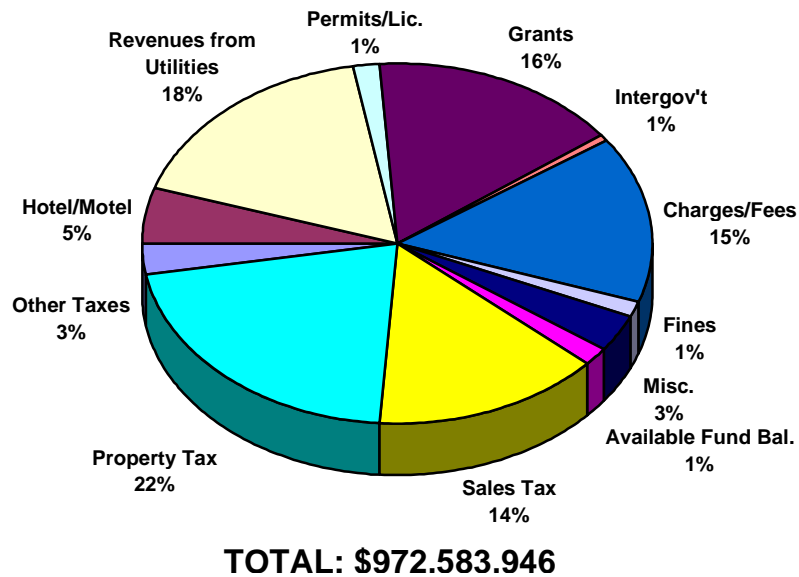
The Adopted Budget for FY 2001 represents a program of revenues and expenditures which provide the highest level of service possible within available resources. Overall, adopted expenditures have been closely examined to ensure the most efficient use of resources and to identify opportunities for improving the effectiveness of service delivery. The Adopted Budget puts forward a balanced budget which

eliminates the projected shortfall, utilizes available resources, and provides for enhanced service delivery in accordance with City Council priorities.

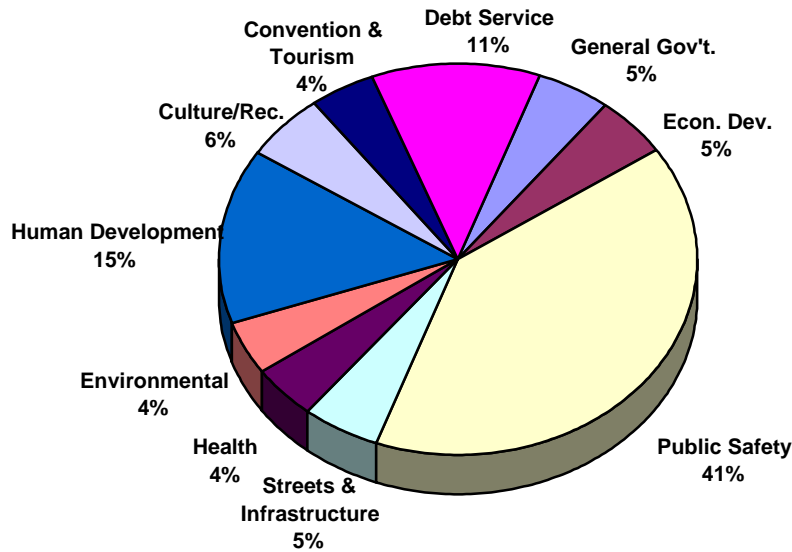
FY 2001 ALL FUNDS ADOPTED BUDGET SUMMARY

The FY 2001 Adopted Budget appropriation for **all funds** is **\$1.175 billion**, excluding transfers of **\$150.01 million**. This amount includes **total operating expenses of \$972.6 million** and **\$202.7 million in capital expenditures**. The following charts show operating appropriations and revenues for all funds for FY 2001.

FY 2001 ADOPTED CONSOLIDATED OPERATING BUDGET OF CURRENT REVENUES



FY 2001 ADOPTED CONSOLIDATED OPERATING BUDGET USE OF FUNDS



TOTAL: \$972.583.946

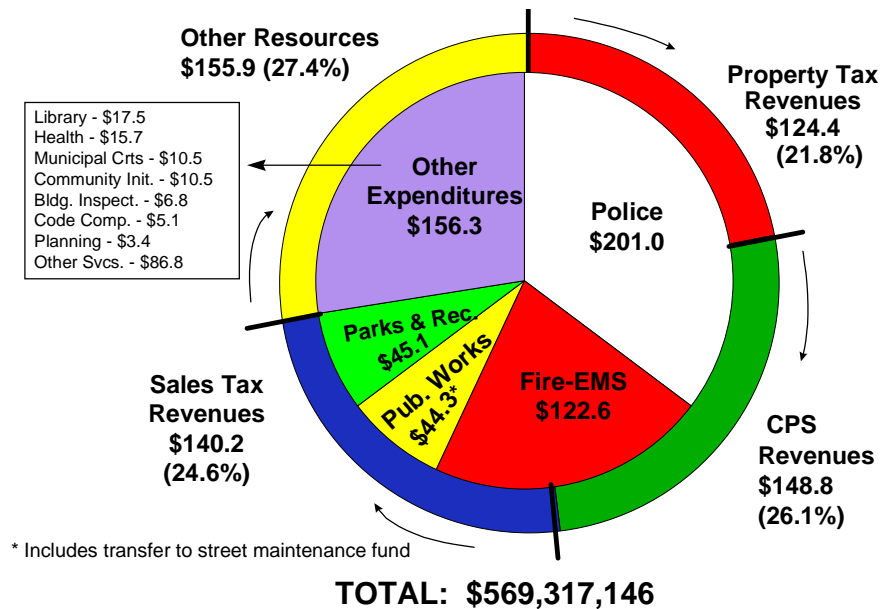
FY 2001 GENERAL FUND ADOPTED BUDGET

Although the projected shortfall for FY 2001 was \$7.97 million, the City has had experience addressing larger projected shortfalls. For each of the last five fiscal years, shortfalls were projected to be \$11.3 million in FY 1996, \$13.7 million in FY 1997, \$9.34 million in FY 1998, \$3.3 million in FY 1999, and \$344,000 in FY 2000. The FY 1996 Budget reflected an effective decrease in expenditures due to the lack of an adjustment for inflation. As a result of this action, the FY 1996 Budget did not require the elimination of positions. The shortfall identified in FY 1997 required not only absorbing the adjustment for inflation for the second year, effectively holding spending for current services to the base level for FY 1996, but also required program reductions. In FY 1997, authorized positions totaling 68 were eliminated and \$4.28 million in program reductions were initiated. To address the shortfall projected in the General Fund for FY 1998, the budget did not include inflationary increases for the third straight year, 66 positions were eliminated and \$3.065 million in service-level reductions were adopted. For FY 1999, increased revenue and decreased expenditures beyond forecasted projections combined to eliminate the modest \$3.3 million shortfall. Better than anticipated revenues helped remedy the small \$344,000 FY 2000 shortfall. The \$7.97 million shortfall projected for FY 2001 has been eliminated through a combination of reductions, increases in revenue performance for FY 2000, and higher projections for revenues in FY 2001 than expected in the Five Year Financial Forecast.

GENERAL FUND REVENUES

General Fund available resources are anticipated to be **\$569.3 million**. The three principal sources of General Fund revenue are: City Sales Tax, City Public Service (CPS), and Property Tax. Taken together, these three sources of revenue account for approximately \$413.4 million, or 72.6%, of the total General Fund available resources. As shown on the chart below, the FY 2001 Adopted Budget appropriations for the Police, Fire/EMS, Public Works and Parks & Recreation Departments consume all property tax revenue, all revenue from City Public Service, and all sales tax revenue.

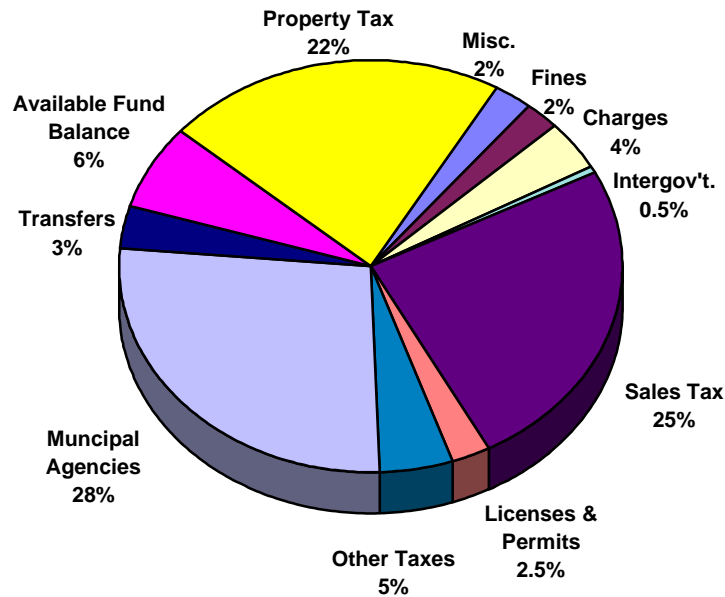
**FY 2001 ADOPTED GENERAL FUND AVAILABLE RESOURCES
DISTRIBUTED OVER MAJOR SPENDING AREAS (in millions)**



A summary of the significant assumptions and policy issues related to the General Fund is presented here. For the purpose of presentation the Streets Maintenance & Improvement and Emergency Medical Services Funds, which are dependent on the General Fund, will also be discussed in this section. In addition to the major revenue sources mentioned above, the Adopted Budget includes a number of new and/or enhanced revenues.

In sum, a total of **\$569.3 million** is available for appropriation as noted in the following chart. A corresponding pie chart appears in the expenditures section depicting seven areas of service delivery in which \$569.3 million has been appropriated.

FY 2001 ADOPTED GENERAL FUND AVAILABLE REVENUES



TOTAL: \$569,317,146

● **City Public Service** **\$148.8 million**

The FY 2001 Adopted Budget amount of \$148.8 million is \$4.56 million, or 3%, less than the FY 2000 re-estimate. The \$148.8 million projection is 4.7% over the \$142.125 million budgeted for FY 2000. The largest source of revenue to the General Fund is generated by City Public Service (CPS). Fourteen percent of all CPS gas and electric customer revenue is paid to the City as a return on investment. The estimated revenue of \$153.4 million for FY 2000 represents an increase of \$11.26 million over the FY 2000 Adopted Budget. In keeping with the City's policy on CPS revenues in excess of budgeted amounts, the \$11.26 million is applied to one-time expenditures in the FY 2001 Adopted Budget.

The increase in revenue in FY 2000 over the budgeted projection can be attributed primarily to higher fuel prices experienced by CPS and a hot summer. As has been the case for the last several years, the CPS revenue projection for FY 2001 is conservative. As experienced this year, unpredictable factors such as weather conditions and fuel prices can dramatically impact the amount of revenue realized by the City. Therefore, the FY 2001 projection for this revenue does not assume continuation of the unusual conditions seen in FY 2000. The estimate for next year accounts only for projected growth in the CPS customer base.

● **Sales Tax** **\$140.2 million**

The Adopted Budget assumes a moderate rate of increase for sales tax growth in FY 2001 of 4.6% totaling \$140.2 million. The FY 2000 Adopted Budget for Sales Tax revenue of \$130.4 million assumed an annual increase in the City Sales Tax of 4.1% over the FY 1999 re-estimate. The re-estimate for FY 2000 Sales Tax revenue is \$7.562 million, or 6% over actual collections in FY 1999, and is \$3.63 million, or 2.8%, over the amount budgeted for FY 2000. The increase over last year's actual collections and over this year's estimate is a reflection of a healthy local economy. Although uncertainties remain as to the

final outcome in Congress of the proposed continued moratorium on assessment of the Internet sales tax, the increases demonstrate a continuation of the trend of continued steady economic performance identified in the Financial Forecast. The possibility of enacting further sales tax exemptions in the future at the state level could, nevertheless, negatively impact the growth in sales tax revenues.

● **City Current Property Tax \$121.8 million**

The FY 2001 Adopted Budget includes \$121.8 million in maintenance and operations support for the General Fund from property taxes while maintaining the tax rate at the FY 2000 level - 57.979 cents per \$100 valuation. **For the eighth straight year, there is no increase in the overall tax rate.**

The property tax rate consists of two components. The first is the debt service component which is determined by the City's debt service requirements. The debt service rate for FY 2000 was 23.400 cents per \$100 of assessed value. Funds from this component are deposited in the Debt Service Fund and are used exclusively to pay the principal and interest on debt. The second component of the tax rate is the amount for maintenance and operations (M&O) contributed to the General Fund. The M&O rate for FY 2000 was 34.579 cents per \$100 of assessed value. These two components taken together provided for a total tax rate for FY 2000 of 57.979 cents per \$100 of assessed value. With the City's total taxable value of \$35.6 billion, **one penny on the tax rate equates to \$3.47 million.**

Property tax values are established by the Bexar Appraisal District (BAD) in conformance with State law. Values for the City of San Antonio recently reported by BAD for FY 2001 show an increase in net taxable value of approximately \$2.25 billion, or 6.76%, above last year. Included in this total, however, is \$1.36 billion for new improvements and \$2.14 million in annexations, which reflects real growth of 4.1% over last year's total taxable value. The taxable value less new improvements and annexations yields the base valuation. The increase in the base valuation from last year is \$889.92 million or 2.67%. The following chart breaks down the components of total taxable value.

**Taxable Values in Billions
(FY 2001)**

Base Value FY 2000	Increase in Base Value	Annexation	New Improvements	Total Value FY 2001
\$33.349	\$0.889	\$0.002	\$1.362	\$35.602
% of Increase:	2.67%	0.01%	4.09%	6.76%

State property tax law requires cities to recalculate the property tax rate to yield the same amount of operating revenue from year to year based on base valuations. The recalculation of the property tax rate results in determination of the "effective tax rate." As indicated above, base valuations increased from last year by \$889.92 million, or 2.67%. Consequently, for FY 2001, to generate the same amount of operating revenue as in FY 2000, the effective property tax rate is calculated at 56.13 cents per \$100 valuation, a decrease from the FY 2000 rate (57.979 cents) by 1.849 cents, or 3.2%.

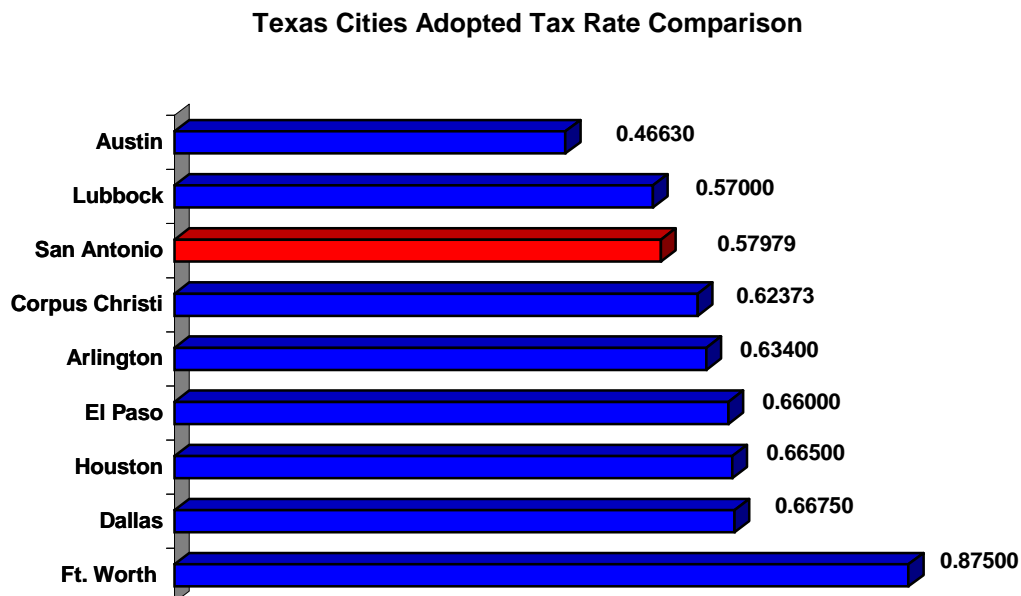
To meet the requirements of the program of General Fund services approved for FY 2001, the Adopted Budget sets the overall Property Tax rate for FY 2001 at the same absolute level set for FY 2000 – 57.979 cents per \$100 valuation. Specifically,

- ⇒ The overall FY 2001 adopted property tax rate of 57.979 cents per \$100 valuation is 1.849 cents (or 3.29%) above the FY 2001 effective property tax rate;
- ⇒ The FY 2001 M&O rate is adopted at 35.079 cents per \$100 valuation which is 0.5 cents (1/2 cent) above the FY 2000 adopted M&O rate of 34.579 cents per \$100 valuation; and

⇒ The FY 2001 debt service rate is adopted at 22.900 cents per \$100 valuation which is 0.5 cents (1/2 cent) below the FY 2000 adopted debt service rate of 23.400 cents per \$100 valuation and is consistent with the requirements of the City's Debt Management Plan.

Together, the adopted M&O and debt service rates combine to equal the FY 2000 total property tax rate of 57.979 cents per \$100 valuation. **Therefore, for the eighth straight year the overall tax rate does not change.** For the individual homeowner whose assessed value has not changed from 1999 to 2000, there will be no change in their property tax bill. However, if the Bexar Appraisal District changes the assessed value on the same home to reflect changes in market value, the impact will vary, depending on the value which is established by BAD. From 1999 to 2000, the average homestead in the City of San Antonio increased in value from \$72,616 to \$77,605, as a result of the healthy local economy, which is an increase of \$4,989, or 6.9%. This means that the average homestead will pay \$28.93 more in City property tax per year. The changes to property values will vary, but the property tax rate will remain the same.

The adopted tax rate for FY 2001 of 57.979 cents per \$100 valuation places San Antonio as the third lowest of the major cities in Texas. The following chart shows the adopted FY 2001 rate for San Antonio as compared to the rates in other major Texas cities.



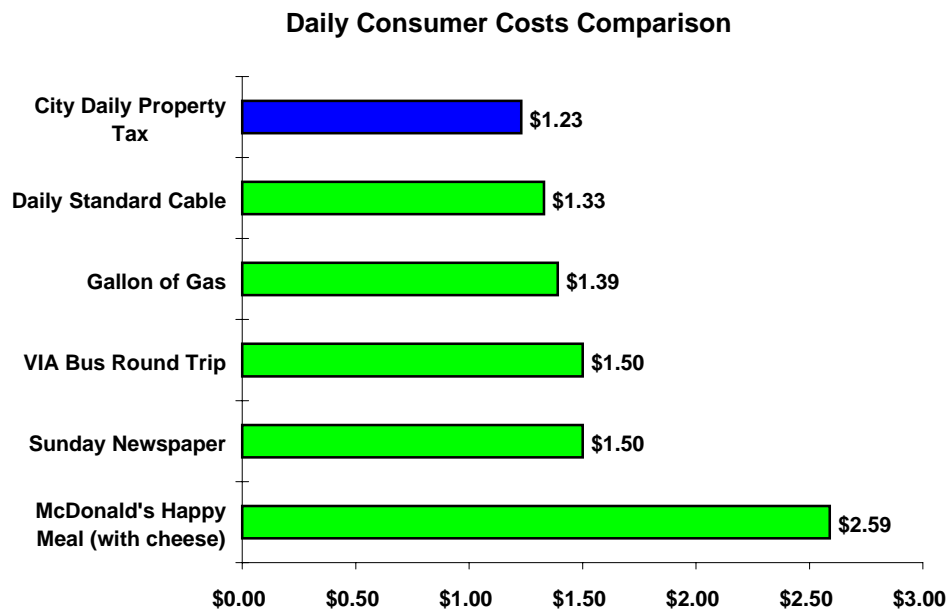
The following sample statement of taxes due demonstrates the portion of local taxes which are due to the City of San Antonio. This sample statement compares adopted tax rates for taxing entities including the adopted tax rate for the City of San Antonio. Of the total tax bill due for a \$77,605 home, which is the average certified homestead value, City taxes represent \$449.95 or 22.47% of the total taxes due.

**SAMPLE STATEMENT
PROPERTY TAXES
BEXAR COUNTY, TEXAS**

Taxing Unit	2000 Assessed Value	Homestead Exemption	Taxable Value	Tax Rate Per \$100 Value	Tax Levy	% of Total Levy
San Antonio I.S.D.	\$ 77,605	\$ 15,000	\$ 62,605	\$1.72200	\$ 1,078.06	51.90%
Alamo Comm. College District	\$ 77,605		\$ 77,605	\$0.10690	\$ 82.96	3.99%
Bexar County	\$ 77,605		\$ 77,605	\$0.33958	\$ 263.53	12.69%
University Health System	\$ 77,605		\$ 77,605	\$0.24387	\$ 189.25	9.11%
Road & Flood	\$ 77,605	\$ 3,000	\$ 74,605	\$0.01810	\$ 13.50	0.65%
City of San Antonio	\$ 77,605		\$ 77,605	\$0.57979	\$ 449.95	21.66%
Totals				\$3.01024	\$2,077.25	100.00%

The senior citizen homestead tax exemption is maintained at \$60,000 for FY 2001. According to the Bexar Appraisal District, there are 60,317 certified senior citizen-owned property accounts. Of these accounts, **36,079, or 59.8%, pay no City property tax.**

The average daily amount of City property taxes due is **\$1.23**, which compares favorably with the common consumer services and items shown in the following chart. All applicable added sales taxes and franchise fees are included in the costs shown. The daily property tax is based on the average homestead value of \$77,605.



● **Franchise Revenue - Southwestern Bell** **\$16.64 million**

In FY 2001, the City is expected to receive \$16.64 million in revenue from Southwestern Bell under its franchise agreement with the City. This amount is \$646,600, or 4% higher, than the \$15.99 million re-estimated for FY 2000. Payment of the fee for use of the City's rights-of-way is based on a municipal

telecommunications fee charged per line with future payments subject to changes based on growth in the number of lines. The Southwestern Bell system is projected to continue rapid growth during future years with franchise revenues to the City increasing at an average of 5% annually.

● **Additional Revenues and Fee Increases**

In order to address the pressure on available funds, the Adopted General Fund Budget includes increases some existing fees and creates new fees. These revenue change items total \$1,007,501. Many of the adopted increases involve revenues which have not been increased in several years. Similarly, new revenue items have been identified to more directly recoup the costs for certain City services which benefit specific customers.

The Building Inspections Department will administer a fee to offset the cost of publishing an annual Development Process Manual which will generate \$20,000 in FY 2001. The manual, recommended by the Development Services Performance Review conducted in FY 1999, will be a single-source guide for citizens, developers and engineers describing the steps needed to obtain regulatory approvals for development projects from the various City departments involved in the development review process. The cost per manual is \$20.

The Fire Department will implement \$751,470 in fee changes involving hazardous material regulation, and emergency medical services (EMS).

- ⇒ With respect to hazardous materials, the department will administer \$15,500 in new fees and fee changes. Specifically, four new fees are adopted which will allow the department to better track hazardous materials storage and transportation facilities. Additionally, in order to better reflect the true costs of responding to hazardous materials-related incidents, the HazMat Response Fee has been modified from the old \$440 per incident charge to a \$440 per apparatus per incident charge.
- ⇒ With respect to emergency services, new fees generating \$735,970 in added revenue have been adopted. Specifically, the Fire Department will administer fees reflecting the specific itemization of supplies expended and services provided during EMS responses generating \$619,310 in new revenue. Additionally, EMS will assess persons not residing in the City's EMS service area a \$100 per transport surcharge, generating \$116,660 in revenue.

The Health Department will implement fee changes designed to generate \$121,687 in new revenue to help offset the increasing costs of its animal control operations. Specifically, ten different fee changes have been adopted. Among the more significant fees changed include pet licenses (increase fee from \$15 to \$20 per animal), impoundment fees (increased fees for multiple impoundments of the same animal), boarding fees (increase fee from \$6 to \$7 per day), pet shop/kennel license (increase fee from \$50 to \$75 per year), livestock impoundment/boarding fees (increase impoundment fee from \$50 to \$100 and boarding fee from \$5 to \$20 per day), non-City animal processing fee (increase fee from \$20 to \$30 per animal disposed), spay/neuter voucher examination fee (increase fee from \$10 to \$15 per animal), and rabies vaccination fee (increase fee from \$8 to \$10).

The Parks and Recreation Department will be administering \$105,594 worth of revenue changes to help meet the costs of operating and maintaining meeting facilities, entertainment and visitor-related venues, and City cemetery operations.

- ⇒ With respect to meeting facilities, until FY 2001, the City did not receive a share of revenues from catering operations at the HemisFair Plaza and La Villita facilities, as it does at other facilities such as the Convention Center. A charge to caterers operating in these facilities equivalent to 15% of the value of all catered events has been adopted, generating \$64,444 on an annual basis.

- ⇒ With respect to entertainment and visitor facilities, fee adjustments have been adopted for use of the Sunken Gardens Theatre, usage of downtown parks, and for use of portable stages and for admission to the Governor's Palace generating \$38,200 in added annual revenue.
- At the Sunken Gardens Theatre, the Parks Department will implement a restructuring of fees assessed promoters to better reflect the City's cost of operating and maintaining the facility which will generate \$20,000 in added revenue annually. Specifically, for commercial/for-profit events, Parks will charge 15% of gross sales (as opposed to the old 15% share of ticket sales only) and increase the minimum revenue the City receives from \$1,500 to \$2,000 with no maximum (\$4,000 is the old maximum). For commercial/non-profit events, Parks will eliminate the \$1,500 flat fee and charge 10% of gross sales with a minimum of \$1,500 and no maximum. For other events where no admission is charged, a 10% of gross sales charge will be assessed along with the minimum \$500 charge that is assessed in FY 2000.
 - Similarly, Parks will administer fee adjustments for events held in downtown parks (Travis, Milam and Plaza De Las Islas). In FY 2000, all events were assessed a \$50 fee for the first four hours and a \$10 fee for each hour thereafter. In FY 2001, different fees will be charged for different events: commercial/for-profit events will be assessed a \$500 charge for the first four hours and a \$100 fee for each additional hour; commercial/non-profit event promoters will be charged \$200 for the first four hours and \$40 for each additional hour; and non-commercial/non-profit entities will be assessed \$100 for the first four hours and \$10 for each additional hour.
 - The department will also implement increases in fees for use of the Showmobile and the Mini-Stage. Specifically, for the Showmobile, the fee will change from \$500 for eight hours to \$550; and for the Mini-Stage, the old \$200 fee for a day will remain the same if no equipment and no technician are required - if equipment and a technician are needed, then a \$350 charge will be assessed.
 - Admission fees for the Governor's Palace have not been changed since 1988 - the fee for adults will increase from \$1 to \$1.50, for children from seven to 14 the fee increases from 50 cents to 75 cents and the admission for children under seven remains free.
- ⇒ For operation of the City's cemeteries, Parks will administer two fee adjustments resulting in \$2,950 in added annual revenue. First, an increase in the charge for each family section lot in the San Jose Burial Park is adopted from \$600 to \$650. This charge has not been increased since 1991. Additionally, the daily labor rate for interments at all cemeteries will increase from \$50 to \$75. This fee has not been increased since 1985.

The Planning Department will implement an increase to the Zoning Procedures Fee which will rise by five percent generating \$8,750 in added annual revenue. Specifically, this increase will apply to the separate Zoning Procedures Fees that are assessed for each zoning case for Zoning Commission and City Council consideration.

● Fund Balance

The final element of resources available in the General Fund is fund balance in excess of the Reserve for Revenue Loss. The General Fund is estimated to have an unreserved fund balance of \$38.8 million at the end of FY 2000 which will be used to augment available resources for FY 2001.

Consistent with the established policy for increases to the Reserve for Revenue Loss discussed in the Financial Forecast, the Adopted Budget includes a \$2.3 million increase to the **City's Reserve for Revenue Loss in FY 2001**. Specifically, as of the end of FY 1999, the total amount of the Reserve for Revenue Loss stood at \$19.168 million. The FY 2000 Adopted Budget increased the reserve to \$20.868 million. Additionally, the Adopted Budget adds another \$2.3 million to the Reserve for Revenue Loss at the end of FY 2001 to a total of \$23.168 million. The source of funding for the adopted increase will be \$2.3 million from the \$11.8 million in total proceeds from the recent lease-lease back transaction involving CPS, as described below. With the FY 2001 Adopted Budget, the Reserve for Revenue Loss will increase to 4.2% of adopted expenditures less capital outlay. The purpose of the increases has been to bring the

General Fund's reserve to ultimately 5.0% within five years. The 5.0% reserve has been endorsed by the various rating agencies which evaluate the City's debt issuance packages.

● **CPS Lease-Lease Back Transaction Resources**

An additional set of resources that is available to the City to support the City Council's Budget Priorities for FY 2001 come from the proceeds the City has realized from CPS' recent lease-lease back transaction with Unicom Corporation, an electrical utility. Under the terms of the transaction, Unicom acquired federal tax exemption benefits by leasing a CPS electrical generating facility and leasing it back to CPS. As part of the transaction, CPS received \$84.3 million in proceeds. The City, consistent with the share it receives of all CPS gross revenues, received 14% of these proceeds or \$11.8 million. CPS has guaranteed this payment to the City with a payment bond. The Adopted Budget proposes to use these resources on a one-time basis as summarized below. More details on the below adopted uses of the proceeds will be provided later in the Executive Summary.

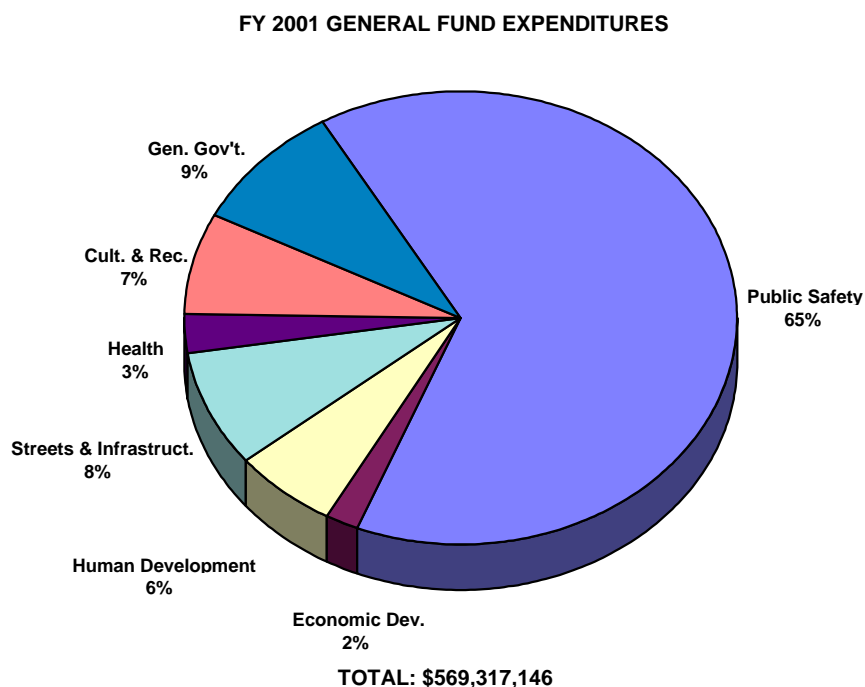
\$ 4.5 million - Establishment of Better Jobs Expendable Trust Fund
\$ 0.4 million - Housing Rehabilitation Waiting List
\$ 0.6 million - Support for Inner City/Neighborhood Revitalization
\$ 1.0 million - Support to San Antonio Technology Collaborative
\$ 3.0 million - Contribution to the San Antonio River Improvements Project
\$ 2.3 million - Increase to the General Fund Reserve for Revenue Loss

\$11.8 million - Total Lease-Lease Back Proceeds

GENERAL FUND EXPENDITURES

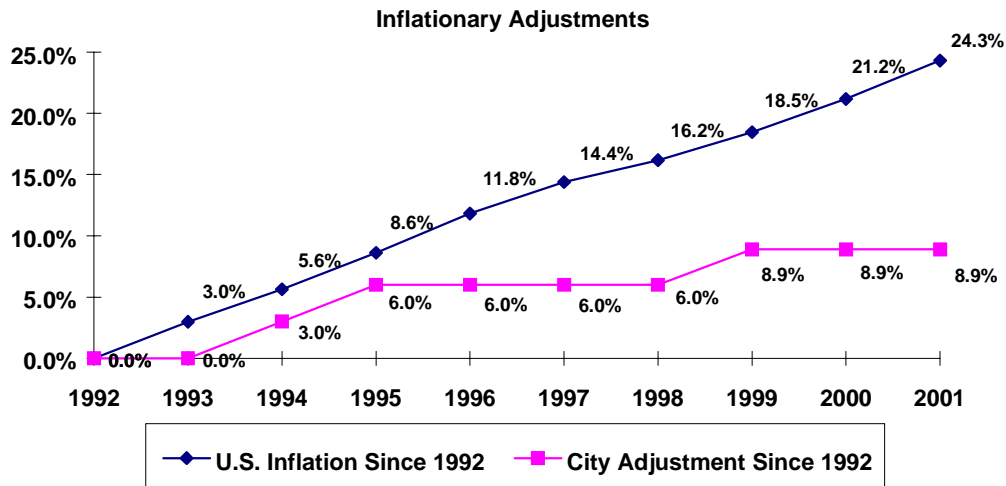
The FY 2001 Adopted General Fund expenditures are **\$569.3 million**. This amount represents a 7.3% increase over the FY 2000 Adopted Budget. This section will discuss current services, improvements to service delivery and mandated changes to service delivery. For purposes of presentation, the Emergency Medical Services (EMS) Fund and the Streets Maintenance Fund, which are dependent on the General Fund, will also be discussed in this section.

The pie chart below depicts the seven general areas of service delivery among which the \$569.3 million in General Fund expenditures is adopted for appropriation.



● Current Services

The current services budget represents the cost of providing services at the FY 2000 level before mandates or improvements are considered. Current services takes into account the full cost of existing personnel at FY 2000 staffing levels with adjustments for related benefits. Although some isolated adjustments for extraordinary circumstances have been made, no inflationary adjustments are generally adopted for current services expenditure categories which effectively limits departmental budgets by the 2.59% overall inflation rate originally projected in the Financial Forecast. This translates into a reduction equivalent to \$2.39 million in FY 2001. The following graph compares the U.S. inflation rate since 1992 projected through 2001 which totals 24.3% with the City's adjustment for inflation over the same period which totals 8.9%.



In spite of rising inflationary pressures over the years, City departments have absorbed the higher costs in their base budgets with enhanced efficiencies, and still have been able to increase productivity to meet ever increasing demands for service.

● **City Council Budget Priorities - Changes to Service Delivery Overview**

Overall, the FY 2001 Adopted Budget includes **\$27.4 million for program improvements and \$12.8 million in mandated improvements**. Included in these amounts are almost **\$14.6 million in one-time expenditures**. Additionally, **\$2.8 million in reductions are adopted**. Departments reviewed current services and programs, and by using City Council's Budget Priorities, identified adopted service level enhancements. The Management Team reviewed the anticipated effect to services and fiscal impact of the improvements.

The City Council's June 16 Goals & Objectives Worksession resulted in a list of budget priorities for staff to use as a guide in the development of the FY 2001 Proposed Budget. The improvements and mandates included in the Adopted Budget are described here in terms of these priorities. As an overview prior to a more detailed discussion of the adopted changes, the priority areas for which improvements and mandates are provided are listed below.

- Better Jobs/Education
- Community Revitalization Action Group (CRAG)
- Water Supply & Quantity
- Economic Development/Strategic Plan
- Performance Reviews
- Unified Development Code (UDC)
- Street Maintenance
- Police & Fire Master Plans
- Air Quality Initiatives
- San Antonio River Improvements
- Community & Cultural Initiatives
- Employee Compensation
- Technology Upgrades & Training

● Adopted Improvements to Service Delivery

The Adopted Budget contains **\$27.4 million** in improvements. The improvements are described below and categorized by the Council's Budget Priorities.

◆ BETTER JOBS/EDUCATION

The Better Jobs Initiative is one of the highest priorities for the City of San Antonio. Better Jobs is an economic development program. Better Jobs emphasizes workforce development that will build the community's human capital through strategic investments and coordination to create a highly skilled workforce, at the same time, emphasizing higher standards and accountability. Better Jobs links partners in support of parents and the community, quality early childhood education, education enrichment, job training, and employers. These reforms will integrate early childhood education, education enrichment in after school programming, community commitment to scholarships, literacy and job training. The goal is to provide a continuum of services that will improve the City's workforce profile within a generation. The FY 2001 Budget includes improvements designed to begin working toward the goals of the Better Jobs Initiative.

The Adopted Budget includes **\$2.1 million in improvements** to begin implementing programs consistent with this overall Council priority

In support of the Better Jobs Initiative, specifically, the Adopted Budget includes \$1.77 million in program enhancements. These include program improvements for kindergarten preparation for children, after school programs, college scholarships for high school students maintaining standards of performance, and an aggressive program to pursue passage of legislation at the state level in support of Better Jobs objectives. The adopted improvements are described below:

- ⇒ Implement the Kindergarten Readiness Guidelines - \$240,000. This improvement will provide for education to parents and child care providers on Kindergarten Readiness Guidelines allowing their implementation in schools in all Council districts. These guidelines define skills (e.g. communication, cognitive, and problem solving skills) that have been recognized as contributing to success in school. The enhancement will add elementary schools to the pilot project which provides resources for parent education, outreach and support to two feeder early childhood centers for each of the participating elementary schools. This improvement will take place in four additional targeted elementary school neighborhoods at \$60,000 per school. The schools provide the instruction. These four new schools will be in Council District 1,3,5, and 10. All the other Council Districts have a model school program.
- ⇒ Enhance the After School Challenge Program - \$82,302. The improvement will allow the expansion of the After School Challenge Program to include early release days, teacher in-service days, and school breaks. In FY 2000, the After School Challenge Program service was not available to students during these periods. The program change includes four school districts (forty-two sites) that are willing operate three to six days of early release for five hours. This improvement will also create three After School Challenge Staff positions (one Community Center Coordinator, one Senior Administrative Clerk, and one Administrative Aide). The cost of this proposal will be offset by \$50,621 in savings in temporary services.
- ⇒ Enhance the San Antonio Education Partnership Program (SAEP) - \$743,876. This improvement will increase the number of schools supported from ten in FY 2000 to 15 in FY 2001. The five schools to be added to the program are Jefferson, Lee, Burbank, McCollum and Highlands high schools. Included in the \$743,876 is \$93,876 to fund five counselor positions for six months (one at each school) and \$650,000 as a **one-time** set aside to fund scholarships for only eligible members of the Class of 2001 at each of the five high schools. Future City support for the

Education Partnership will be contingent on the results of an Education Partnership Summit to be convened by the Mayor in FY 2001 which must include the City, the school districts, the Education Partnership board, the corporate sector and community groups. The purpose of the summit meeting will be to examine the participation structure for funding the program in all 15 schools in the future.

- ⇒ Improve Job Training and Support - \$500,000. The Adopted Budget provides for the creation of the Better Jobs Expendable Trust Fund. The fund will be established with \$4.5 million of the \$11.8 million in the City's proceeds from the recent lease-lease back transaction involving CPS. Under these trust fund accumulation and annual payment assumptions, the initial \$4.5 million contribution will result in \$5.73 million being distributed over a ten year period for job training and support programs. Assuming six percent annual interest, the fund will generate \$500,000 beginning in FY 2001 with annual transfers to the General Fund increasing at a three percent yearly rate allowing the fund's resources to be expended on, and dedicated to, job training and support programs over a ten year period. The Adopted Budget further provides that the \$500,000 available from the first year's proceeds of the fund be contributed to the Project Quest program on a one-time basis bringing the General Fund total contribution for Project Quest to \$2.5 million. The City's all sources funding will contribute \$3.4 million. In subsequent years, it is recommended that proceeds from the fund be made available to job training and support programs on a competitive proposal basis.
- ⇒ Enhance Better Jobs Legislative Efforts - \$25,000. Currently, state law does not provide the City of San Antonio, or any other municipality, the ability to utilize specific revenue sources to support many of the core issues of the Better Jobs Initiative. The upcoming 77th State Legislature session will likely be dominated by redistricting and many initiatives will be lost due to the focus on this one issue. In order to increase the likelihood the government affairs team will be successful with all or some of the Better Jobs initiatives, the Adopted Budget provides \$25,000 as a one-time expenditure to contribute to the cost of adding a contractual lobby team member to focus on Better Jobs.
- ⇒ Better Jobs Office - \$182,000: The Adopted Budget includes funds to create a Better Jobs Office with three positions to provide senior executive-level oversight of Better Jobs Initiative implementation within the City organization. Specifically, an Assistant to the City Manager, a Senior Management Analyst and an Executive Secretary position will be established.

In addition to the establishment of the Better Jobs Expendable Trust Fund discussed above, it is recommended in the Proposed Budget that additional job training and support initiatives be supported through the use of resources owed the City of San Antonio by the Alamo Community College District (ACCD). ACCD has built up a reserve of approximately \$3.14 million from the withholding of 14% of its annual ACCD-system electrical utility payments to CPS. This reserve has been accumulated as a consequence of a dispute over the legality of ACCD having to pay as part of its electrical bill the 14% which is equivalent to the City's share of CPS revenues. The reserve accumulated to date will generate approximately \$185,000 annually from interest earned and could be made available to the City in the form of job training credits. Also available from ACCD will be an additional \$325,000 in job training credits on an annual basis which is equivalent to 14% of its future annual electrical utility payments. The interest earned from the reserve and the future annual 14% payments combine to \$510,000 which could provide job training credits sufficient to support two annual job training initiatives:

- ⇒ Establishment of a Customized Training Fund in the amount of \$260,000 to be used to fund customized job training or to subsidize employee training costs of certain companies in targeted industries that relocate to or expand operations in San Antonio; and
- ⇒ The creation of an Aviation Academy Pilot Project in the amount of \$250,000 to provide credits for tuition assistance augmented by support services for approximately 50 people (25 high school students and 25 adults) to receive aviation industry-related training in partnership with private

industry, ACCD and Project Quest. In subsequent fiscal years, these resources could be re-targeted to other strategic industries.

Additional adopted enhancements in terms of education opportunities focus on improving citizen access to computer resources and making an educational program accessible to students city-wide. To this end, the Adopted Budget includes \$320,153 in education-related program improvements.

- ⇒ Extend Branch Library Operating Hours - \$98,798. Under this improvement, additional staff time will be available to extend operating hours into Thursday evenings at nine of the City's 19 branch libraries. In FY 2000, none of the branch libraries were open Thursday evenings. The adopted funding will extend hours from 5 pm to 9 pm for six months for the Oakwell, Westfall, Bazan, Johnston and Cortez branch libraries, and for three months at the Landa, Memorial, San Pedro and Collins Garden branches.
- ⇒ Provide Computer Training at Library Gates Computer Centers - \$105,855. The Library has established grant-funded Computer Centers at 14 branch libraries using funding primarily from the Gates Foundation to enhance the computer literacy of persons living near these facilities who might not otherwise have access to computer resources. Public use of the computers in the Computer Centers is supervised by library personnel in addition to their other duties, but there is no staff dedicated to ensure that library patrons can take full advantage of these resources. The Library Department proposes to add 14 Department System Aides (one for each of the 14 branches) to assist library customers learn to use the computer equipment.
- ⇒ Increase the Library Materials Budget - \$75,000. This increase will bring the Library's General Fund materials acquisition budget in FY 2001 to \$2.16 million and its all-funds materials acquisition budget to \$3.3 million.
- ⇒ Contribute to UTEP PREP Program - \$40,500: The University of Texas at San Antonio (UTSA) Prefreshman Engineering Program (PREP) is an intense, mathematics-based, summer program for middle and high school students with the potential to become scientists or engineers conducted at college campuses throughout San Antonio. This program did not receive support in the Proposed Budget because UTSA PREP failed to meet the City's deadline for submitting an application under the Delegate Agency funding process. Nevertheless, the Adopted Budget includes \$40,500 to help participating students obtain VIA bus passes to enable them to attend the summer program. These resources are included in the budget with the provision that, in the future, the program must submit its funding proposal within the time limits provided under the City's process and comply with all monitoring requirements.

◆ COMMUNITY REVITALIZATION ACTION GROUP (CRAG)

The City's commitment to evaluating resolution and implementation of the inner city revitalization objectives, manifest in the recommendations of the Community Revitalization Action Group (CRAG), has been exhibited by the allocation of various resources. The first phase of CRAG was anchored by the funding of several initiatives. These recommendations were funded in FY 1999 for a total of \$1.32 million. Examples include: the establishment of a Relationship Manager Unit which will report to an Assistant to the City Manager; the implementation of a Neighborhood Improvement Challenge Program; four additional positions in neighborhood planning; development of a Neighborhood Leadership Training Program; three additional Code Compliance investigators; and the creation of a development services guide are projects that will be covered by the Neighborhood Community Involvement Priority Action Plan. The FY 2000 budget included \$2.93 million of improvements consistent with CRAG recommendations. Some examples are: Youth Development Program, Inner-City Revolving Loan Fund, TIF Coordinator, and three Dangerous Premises Investigators.

In order to direct and facilitate implementation of the remaining revitalization measures identified by the CRAG, a second phase was launched as CRAG 2000 focusing on revitalization in San Antonio in a more comprehensive manner. CRAG 2000 was centered on the compilation of ideas from community leaders and citizens through a series of eight workshops to be held at various sites throughout the city. In June 2000, the CRAG 2000 group presented its report to the City Council with a comprehensive vision of balanced, sustainable growth within Loop 410 over the next ten years. The vision addresses issues such as increasing traffic congestion, deteriorating air quality, expensive infrastructure extensions to the suburban fringe, and creating appropriate residential density in the inner city to support additional retail and commercial activity.

In support of the CRAG 2000 vision, the FY 2001 Adopted Budget **contains \$6.1 million worth of improvements** in all funds. Included in this amount are:

- ⇒ \$1 million in identified resources to address the housing rehabilitation waiting list to be achieved in three ways: (1) \$400,000 in an additional one-time appropriation in the Adopted FY 2001 General Fund Budget, (2) \$400,000 to be earmarked specifically for housing rehabilitation the City's proceeds of the CPS lease-lease back transaction, and (3) \$200,000 in approximate savings from implementation of the Housing Performance Review which will be presented to Council in a few weeks.
- ⇒ \$600,000 set aside for inner city revitalization from
- ⇒ \$2 million set aside in the FY 2001 CDBG Budget earmarked for inner city revitalization
- ⇒ \$150,000 adopted as a Hotel/Motel Fund improvement to support promotion of inner city arts and cultural events
- ⇒ \$50,000 included as a CDBG-funded improvement adding a Community Development Analyst to coordinate CRAG implementation efforts among various City departments.
- ⇒ \$2.5 million in General Fund improvements identified as being consistent with CRAG 2000 recommendations, and also fall into other Council Budget Priority categories. Those Adopted Budget CRAG-related improvements which are related to other priority categories are discussed in the sections dealing with those categories.

Of the \$2.5 million in CRAG-related General Fund improvements, \$1.062 million are tied solely to CRAG 2000 proposals. These recommendations deal with comprehensive housing planning and development issues, establishment of the Super Sweep program, enhanced graffiti abatement, increased support to Tax Increment Financing (TIF) efforts and enhanced marketing efforts for inner city development. Also available to support neighborhood revitalization issues is \$2 million set aside in the FY 2001 CDBG Budget and \$1 million earmarked from the City's proceeds of the CPS lease-lease back transaction.

- ⇒ Develop Housing Master Plan and Hold Annual Housing Summit - \$200,000. As noted in the recently presented Housing Programs Performance Review, the City does not have a consistent framework for the allocation of funds or decisions regarding the regulation of housing production. A Housing Master Plan will guide the use of City and associated agency housing resources and compile policies regarding housing in San Antonio. The improvement provides funds to secure consultant services to develop the plan through the analysis of current housing needs and resources and to determine effective investment and growth strategies. The resources included in this improvement will also be used to support the convening of an annual Housing Summit meeting of major housing service provision organizations in the community.
- ⇒ Implement Inner City Housing Rehabilitation Initiative - \$100,000. Under this initiative, the City will identify homes and lots suitable for rehabilitation and sale from its inventory of flood-damaged, tax lien, and other nuisance properties. If the property is a home that must be moved, the City will identify an appropriate lot. Homes and lots are then transferred to the non-profit partner organization. Homes will then be renovated and marketed through a contractual agreement with Fannie Mae National Property Disposition Center in Dallas. Fannie Mae pays all costs associated with carrying out the scope of work. Upon sale of the property, Fannie Mae retains a fee for each house and reimbursement for the cost of repairs. After the fees, closing costs and repair costs

are deducted from the sales price the remaining proceeds are returned to the City of San Antonio. The one-time funds requested under this proposal will be used to offset the City's initial implementation costs. The program is expected to be self-supporting after the first year.

- ⇒ Add Housing Program Support Position in Asset Management - \$41,384. This improvement will provide one Special Projects Coordinator for nine months in the Asset Management Property Disposition Division. This position will assist with a variety of housing property-related issues including acting as a departmental liaison to other City departments and external organizations involved in the redevelopment of the inner-city and affordable housing opportunities.
- ⇒ Establish Super Sweep Program - \$47,468. The adopted enhancement will add one Neighborhood Renewal Manager in the Neighborhood Action Department to coordinate interdepartmental services needed for one additional super sweep. The Special Projects Office will coordinate the use of a total of \$3 million in funds (\$1 million in Inner City/Neighborhood Revitalization funds from the \$11.8 million in the City's proceeds from the recent lease-lease back transaction involving CPS, and \$2 million budgeted in FY 2001 from Community Development Block Grant (CDBG) resources for a total of \$3 million) to help support infrastructure-related improvements and projects identified during the Super Sweeps and other revitalization efforts such as addressing housing needs. Initially, the Super Sweep targeted area will be comprised of selected neighborhoods within the inner-city. The long-term objective will be to select the targeted area by demographic data, existence of neighborhood plans and resources or opportunities already in place.
- ⇒ Provide Code Enforcement Support for Super Sweeps - \$86,000. To support the establishment of the Super Sweep Program as well as augment proactive target enforcement teams, the Adopted Budget includes the addition of two code compliance investigator positions and associated equipment.
- ⇒ Expand Graffiti Removal Program to Private Property - \$152,060. This improvement will add two Parks Maintenance Crew Leader positions for nine months to enable the Parks Department's Volunteer Services Program to establish crews of restitution workers to remove graffiti on selected private property. One time costs include two 3/4 ton vehicles and equipment. Each Crew Leader will provide field supervision to one five-person crew of restitution clients. Paint will be obtained from the City's Paint Bank, with supplemental or specialized colors being purchased by home/business owners. This improvement is associated with a proposed revision to the City's graffiti abatement ordinance which enables City crews to remove graffiti from private property with the permission of the property owner.
- ⇒ Enhance Support for Tax Increment Financing (TIF) Efforts - \$35,552. In order to improve responsiveness and financial accountability in the City's TIF efforts, the addition of a Finance Officer position in the Finance Department is adopted. The cost of the improvement will be offset 50% with a contribution from CDBG. The position will provide financial analysis for proposed TIF districts as well as provide day-to-day financial administration of established TIF districts.

◆ WATER SUPPLY & QUANTITY

In May 2000, the voters approved the Parks Development and Expansion Proposition. This proposition authorized the temporary levy of a 1/8 cent sales tax to generate a total of \$65 million for the acquisition of open space parks over the Edwards Aquifer Recharge Zone (\$45 million), and the acquisition and development of linear parks along Leon Creek and Salado Creek (\$20 million). The Adopted Budget includes **\$25,000** to develop an Open Space Linear Park Connectivity Plan for the development and integration of the open space and linear parks authorized by the proposition.

◆ ECONOMIC DEVELOPMENT/STRATEGIC PLAN

The ability of a community to realize and achieve its goals for the future is contingent on its overall economic stability. A strong economy allows the use of resources to respond to community needs in a proactive rather than reactive manner. Consequently, economic development continues to be vital to the City. To support the City's economic development efforts, the amount of **\$2.58 million** is proposed to be added to the Proposed Budget.

- ⇒ Support Kelly Redevelopment: Air Cargo & Aircraft Maintenance Expansion Project - \$1.15 million: The amount of \$1.15 million is included as a one-time expenditure support air cargo and aircraft maintenance-related redevelopment efforts at Kelly Air Force Base. To demolish unusable warehouse structures at Kelly and to allow for access to the ramp, \$1 million will be made available to the Greater Kelly Development Authority. Additionally, the amount of \$150,000 is provided to initiate design and engineering for the realigned roadway as described above.
- ⇒ UTSA Biotechnology Center - \$1 million: UTSA is seeking community matches for construction of a Biotechnology Center at the UTSA 1604 campus. This facility would work as an integral component of the San Antonio Technology Accelerator Initiative (SATAI). In addition to the \$1 million in investment resources allocated in the Adopted Budget for the SATAI to be described later, \$1 million is reserved as a match from the City for the UTSA Biotechnology Center. The \$1 million will be obtained by setting aside \$913,600 as an added FY 2001 Budget expenditure in an interest bearing account and would accumulate to \$1 million over 18 months. The \$1 million contribution will leverage from \$4 to \$9 million from the private sector along with the \$35 million allocated from the Permanent University Fund.
- ⇒ Brooks City-Base Project - \$400,000: A total of \$400,000 for various improvements is set aside in the Adopted Budget for the Brooks City-Base Project. The goal of the City-Base project is for the Air Force to transfer Brooks Air Force Base (AFB) property to the City and then lease back property and facilities needed for their missions. Under this scenario, the City will assume ownership of the base, provide municipal services and retain a third-party property manager/developer, thereby hoping to save the Air Force between 40-50% in base operating support costs. Over the next several months City staff will be working with the Air Force to construct a conveyance agreement that can be presented for approval to City Council and the Secretary of the Air Force in December 2000 followed by implementation beginning in FY 2002. Current timelines project transfer of base property to the City beginning in October 2001. Among the improvements supported by the \$400,000 is the creation of one Economic Development Coordinator position and one Economic Development Specialist position for twelve months (\$95,000). Also included are matching funds for the Economic Development Administration (EDA) grant, environmental due diligence, roads and grounds assessment, and market analysis of Brooks property (\$77,000), outside legal fees (\$168,000), support for the Brooks Advisory Board (\$10,000), and other potential studies and analytical support (\$50,000).
- ⇒ Southeastern Mexico Initiatives Position - \$50,000: In order to improve San Antonio's trade relations with the southeastern region of Mexico, the Adopted Budget includes \$69,000 (\$50,000 from the General Fund) to establish a position at the City's Casa San Antonio in Mexico. This position will be focused on establishing trade contacts and helping local businesses conduct business in Southeastern Mexico. The Hotel/Motel Fund will provide \$19,000 to further support the activities associated with this position.
- ⇒ Contribution to Community Economic Revitalization Agency (CERA) - \$71,250: CERA coordinates economic development efforts focused on the eastside of San Antonio. The agency has been awarded funding from Community Development Block Grant (CDBG), Neighborhood Commercial Revitalization (NCR) and District 2 One-Time Project fund resources to provide planning and development support to economic development projects designed to revitalize commercial areas in the eastside. CERA requested \$193,000 in additional funding in FY 2001 to

support its programs. A portion of this request can be met by utilizing \$50,500 projected to be remaining from the \$145,000 District 2 FY 2000 One-Time Project allocation for CERA which will be carried forward into FY 2001. To support the remaining \$142,500 of the \$193,000 request, the Adopted Budget includes \$71,250 (half of the \$142,500) as a challenge to encourage contribution of the remaining portion.

To support the City's strategic plan for growing targeted industries, the Adopted Budget also provides that \$1 million be set aside for use in supporting implementation of the San Antonio Technology Accelerator Initiative (SATAI) from the \$11.8 million in the City's proceeds from the recent lease-lease back transaction involving CPS. SATAI is a collaborative effort that identified opportunities for economic strategies for San Antonio's technology industries. Four technology cluster groups, biosciences, aviation, information technology and the communications services were identified as San Antonio's competencies. To sustain the efforts of these cluster groups and to establish an environment to accelerate enterprise formations, the San Antonio Technology Collaborative (SATEC) is adopted to be established. SATEC will be funded with the City's \$1 million one-time match. These funds will serve as seed money which will leverage additional dollars to support the market driven initiatives intended to create successful entrepreneurial activities.

◆ PERFORMANCE REVIEWS

The City continues to focus efforts toward a comprehensive, systematic program of performance reviews aimed at increasing efficiencies of service delivery and improving the overall quality of service to the citizens of San Antonio. A high priority for the Council is to provide resources for timely implementation of the results of performance reviews conducted internally or by outside consults. The Adopted Budget **contains \$525,701 in added funding to continue implementation** of the Development Services/Code Compliance Performance Review and to provide funding for implementation in FY 2001 of the findings of the City Attorney's Office/Contract Management Performance Review scheduled to be underway in late August. For continued implementation of the Development Services/Code Compliance Performance Review completed in 1999, \$325,701 is set aside in the Adopted FY 2001 Budget. This amounts builds upon the \$2.1 million worth of improvements approved for funding in the FY 2000 Adopted Budget for first year implementation of Development Services/Code Compliance Performance Review.

The Development Services/Code Compliance Performance Review provided separate recommendations for the Development Services and Code Compliance functional areas, respectively. The FY 2000 Adopted Budget provided \$1.1 million in added improvements to the Development Services area. To continue implementation of the Development Services component of the review in FY 2001, the Adopted FY 2001 Budget includes \$273,174 in new improvements. These improvements include:

- ⇒ Establish Expedited Plan Review Team - \$120,000. This improvement will establish plan review management personnel positions to serve as inter-departmental plan review coordinators for major development projects. Specifically, the improvement will add two Plan Review Manager positions which will coordinate each step of the review process of complex development plans using teams of Building Inspections and Public Works personnel. To support this concept, one Engineer position funded out of the Stormwater Fund will be added in the Public Works Department to improve timeliness of review of the drainage components of complex development plans. This improvement is also consistent with the CRAG Council Budget Priority.
- ⇒ Upgrade Building Inspections Conversant Telephone System - \$109,260. This improvement provides for the upgrade of the present conversant system operating in the Building Inspections Department which currently permits contractors to obtain the status of the reviews of their submitted plans by telephone. Specifically, the upgrade will allow contractors to dial in inspection requests through the phone line. The system, in turn, will automatically route the inspection requests to the appropriate inspector. System development and implementation is estimated to be 12 to 14 months. This improvement will significantly improve the inspection scheduling process

with greater convenience for the contractor.

- ⇒ Add One Plumbing Inspector Position - \$43,914. Increased development activity combined with recent implementation of new regulations governing the proper installation of reclaimed water transmission lines necessitate the creation of an additional Plumbing Inspector position in the Building Inspections Department.

Another key recommendation in the Development Services Performance Review was to establish a one-stop development services facility. The Adopted Budget includes funding in the base budget to increase the reserve set aside in FY 2000 for the facility by \$866,250 for a full year of future lease payments and other expenses. The full amount available in the Adopted Budget reserve for the facility is \$1.44 million.

For the Code Compliance portion of the Development Services/Code Compliance Performance Review, the FY 2000 Adopted Budget included \$756,964 in improvements. To continue implementation of the recommendations of this review, the FY 2001 Adopted Budget includes \$52,527 to add one Neighborhood Services Coordinator position in the Code Compliance Department. The position will be responsible for coordinating the activities of Code Compliance Citizen Action Officer personnel to allow for proactive, timely responses to community requests for services and needs. The Neighborhood Coordinator will also work closely with the Neighborhood Action Department to coordinate Code Compliance support to neighborhood sweeps and related activities.

In order to ensure timely follow-up on the recommendations anticipated from the City Attorney's Office/Contract Management Performance Review scheduled for completion in January 2001, the Adopted Budget provides that \$200,000 be set aside in reserve for implementation.

◆ UNIFIED DEVELOPMENT CODE

The Unified Development Codes (UDC) is that portion of the Municipal Code that governs zoning, platting and growth management for the City and its Extraterritorial Jurisdiction (ETJ). The present UDC is a compilation of ordinances and amendments that have occurred over the past sixty years. Due to its age and the number of amendments the ordinance has evolved into a document that is not well organized, has areas of potential conflict and is difficult to read. Recognizing the above the City Council directed that a new UDC be developed and allocated \$225,000 in FY 1999 for this process and an additional \$70,000 in FY 2000 to expedite the process for a total allocation of \$295,000. City Council authorized the retention of Freilich, Leitner & Carlisle (FLC) of Kansas City to assist the staff and community in revising and developing a new UDC. The City Council directed that the UDC revision work program be accelerated if possible to provide for adoption in December 2000. To support smooth implementation of the revised UDC once it has been adopted, the FY 2001 Adopted Budget provides for **the addition of \$65,000** to retain FLC for another year to assist in training City staff, to consult on implementation matters and to assist in the education of the public on the new regulations and procedures contained in the revised UDC.

◆ STREET MAINTENANCE

The City Council has consistently placed a higher priority on infrastructure improvements and maintenance. Since FY 1991, contractual street maintenance expenditures have increased from \$1.5 million to \$10.3 million in FY 2000, an increase of nearly seven times on an annual basis. In recognition of the continued high priority placed on street maintenance, the Adopted FY 2001 Budget includes **\$895,855 in additional improvements** impacting street and traffic sign maintenance. These improvements include:

- ⇒ Increase Contractual Street Maintenance - \$700,000. This improvement will bring the total contractual street maintenance budget to \$11 million for FY 2001. This amount includes \$9.7 million in City General Fund resources and \$1.3 million in Local Assistance Funds from VIA Metropolitan Transit.

- ⇒ Enhance Traffic Sign Maintenance - \$195,855. This improvement will provide the positions and equipment to enable the Traffic Sign Maintenance Program to better meet the demand for manufacturing and installing traffic control signs and street name signs on City maintained roadways. One Dispatcher II and one Data Clerk II position will be added under this proposal. These two positions will relieve two Sign Technicians from dispatching and data management duties enabling the technicians to return to sign installation duties. The improvement will also add two one-ton trucks to facilitate the transition of the current two-person sign installation crew complement to a more productive one-person crew complement.

The Adopted Budget also continues funding for the Neighborhood Access and Mobility Program (NAMP) at the FY 2000 recurring level of \$133,000 per Council District. This program provides resources for minor sidewalk and street hump projects.

◆ POLICE AND FIRE MASTER PLANS

The master plans included in this priority include implementation of the Police Staffing Plan and the Fire Master Plan. The Adopted Budget contains **\$3.45 million** in improvements to implement these plans.

As an outgrowth of the negotiations between the City and the San Antonio Police Officers Association (SAPOA) for a new collective bargaining agreement, both sides agreed to focus on finding ways to improve police officer staffing levels with the development of a new **Police Staffing Plan** for the next five years. Building on the foundation established by the City's 1992 Comprehensive Staffing Plan, Vision 2001, the Management Accountability Program, and the 2000 General Obligation Bond Program, the Staffing Plan was developed to address current and future staffing issues and was presented to the Council in June 2000. Factors such as crime and demographic trends, calls for service, patrol availability, peak level staffing during critical call load periods, and improved operational efficiencies to be realized through technological enhancements were considered in developing the plan.

Enhancing the number of uniformed positions to improve the presence of police officers on the street has been a key objective of the City. The focus of this effort began with the original 1992 Staffing Plan. A key performance measure for the Police Department since the development of the original 1992 Staffing Plan is the Patrol Availability Factor (PAF). The PAF is defined as the amount of time available to a patrol officer for proactive patrol as opposed to responding to radio calls for service. The original 1992 Staffing Plan focused on increasing the number of police officers to improve the PAF. Since FY 1992, 357 sworn officer positions have been added to the Police Department – a 22 percent increase in uniformed staffing. Incrementally, the PAF has increased from 27.76% in FY 1993 to a high of 42.7% in FY 1996. After a slight decline to 40.4% in FY 1997, PAF held steady in FY 1998. However, in FY 1999 PAF declined to 37.9%. The new 2000 Staffing Plan makes recommendations for improvements to maintain a 42.5% annual PAF and a 40% PAF during peak workload months of July through September in FY 2001. To achieve this PAF level, the 2000 Staffing Plan specifically proposes to implement the dedicated Directed Patrol concept on each shift. Under the Directed Patrol concept, manpower will be provided to substation commanders to address problem areas within their neighborhoods as well as provide a ready source of officers for the Chief of Police to deploy to major incidents without degrading the PAF.

In total, the Police Staffing Plan proposes sworn staff increases of 369 positions and 22 civilian positions over a five year period at a total cost of \$73.6 million. Under the Staffing Plan recommendations, the Directed Patrol will increase incrementally from three officers per shift in FY 2002 to ten officers per shift in FY 2005. For FY 2001, full implementation of the Staffing Plan would have required the addition of 95 uniformed positions at a cost of \$3.47 million. The fiscal constraints presented the General Fund for FY 2001 precluded this full implementation scenario. However, as stated above, it is important to note that the Police Staffing Plan is intended to be a rolling plan to be updated each year to provide for changing circumstances. Continued work toward Staffing Plan implementation will remain a high priority each fiscal year.

Nevertheless, the improvements included in the Adopted Budget for initial implementation of the Plan will still enable the Police Department to achieve and maintain a **42.5% PAF** during FY 2001 based on the most current projections.

To begin implementing the Staffing Plan, the Adopted Budget includes \$1.52 million in added resources. Under these improvements, six police officer positions will be redirected from existing duties and 17 new uniformed positions will be added, bringing a total of 23 uniformed positions to bear on implementation of the objectives the Police Staffing Plan.

The specific improvements in the FY 2001 Adopted Budget for implementation of the Police Staffing Plan include:

- ⇒ Initiate Directed Patrol - \$417,000. This improvement will add ten police officer positions. Under this concept, the ten officers will provide a pool of added resources for allocation to the various Police substation commanders for focused attention on chronic crime issues in their areas. In this manner, the substation commanders will not have to take officers off regular patrol duties, thereby maintaining the PAF at 42.5%.
- ⇒ Provide Universal Hiring Program Grant Match - \$773,223. This improvement will allow the addition of ten additional uniformed officer positions and provide the match for ten existing uniformed positions. Under the federal government's Universal Hiring Program, local communities are able to obtain \$75,000 for each new police officer position applied for under the program over a three year period. The adopted improvement provides resources for equipment, overtime, and other fringe benefits for which the grant program does not provide funding.
- ⇒ Police Directed Patrol Overtime - \$229,000: In order to ensure a higher level of coverage during peak call load hours at each police substation, the Adopted Budget includes \$229,000 for increased police officer overtime. Specifically, this amount will support directed patrol overtime at each substation during a 13-week period from July through September from 9:00 pm to 3:00 am on Fridays, Saturdays and Sundays.
- ⇒ Enhance Downtown Foot & Bike Patrol - \$103,742. In order to enhance law enforcement activities in an increasingly busy downtown area, the Adopted Budget provides for the addition of three police officer positions to the Downtown Foot & Bike Patrol.

As the City continues to grow, the Fire Department's focus will remain on strategic planning efforts to ensure that adequate staffing, facilities, equipment and training are available to provide consistent levels of fire services throughout the City. In April 1997, the Fire Department was directed by City Council to obtain community input on certain issues of the master plan through a process of community presentations. With guidance from City Council, input from the community and SAFD staff, the Fire Department developed the Rolling Five Year Fire Master Plan. The Rolling Five Year **Fire Master Plan**, presented to the City Council in June 2000, is an indication of the department's continuous efforts to provide the highest levels of service to the community. Since the Fire Master Plan has now become a rolling five-year plan, the Fire Department receives input on an annual basis from staff and the citizens of San Antonio. In doing so, the department will be able to analyze trends, review community input and update its recommendations on an annual basis.

The Adopted Budget includes **\$1.9 million** in adopted improvements to continue implementation of the Fire Master Plan. These improvements include:

- ⇒ Add One Full-Time Emergency Medical Services (EMS) Unit - \$404,522. This improvement will add 12 full-time paramedic positions for three months. One time costs include the acquisition of an ambulance and associated equipment. The full year recurring cost for this improvement beginning in FY 2002 is projected at \$1.05 million. This improvement will bring the number of full-

time EMS units from 24 to 25.

- ⇒ Add Two First Responder Vans - \$89,264. This improvement represents Phase Two of a Master Plan program that proposes to add eight first responder vans to the Fire Department fleet over a three year period: four vans in FY 2000 (Phase One - implemented with FY 2000 Adopted Budget), two vans in FY 2001 (Phase Two), and two vans in FY 2002 (Phase Three). This program will increase the total first responder fleet to eighteen vans. First responder vans are used to provide cost effective emergency medical assistance for patient basic life support while allowing regular fire apparatus to remain available for calls.
- ⇒ Enhance Fire Personnel Investigations - \$78,773. This improvement places two civilian personnel in positions filled by uniformed personnel temporarily detailed to perform the Applicant Processing function. Specifically, the improvement will add two civilian personnel investigator positions in the Fire Department's Applicant Processing Section allowing two uniformed personnel to be returned to regular assignments in the Firefighting Division.
- ⇒ Retain Public Protection Classification Consultant - \$45,000. The Adopted Budget includes funding to retain consulting services to analyze the major elements of the City's fire suppression system and make recommendations on how to improve the City's Public Protection Classification (PPC). The PPC is a measure that the insurance industry uses to measure quantitatively the major elements of a city's fire suppression system. Generally, citizens can expect to pay lower property insurance premiums when their city achieves an improved PPC.
- ⇒ Replace Mobile Data Terminals with Cellular Digital Packet Data (CDPD) Laptops - \$502,944. This improvement will replace 40 MDT's in fire vehicles with portable CDPD laptop computers. The Master Plan calls for the purchase of 120 CDPD laptop computers over a three-year period (40 units already acquired in FY 2000, 40 in FY 2001, and 40 in FY 2002).
- ⇒ Add Technical Rescue Program Equipment - \$61,080. This improvement is Phase Two of a Master Plan program to expand the Fire Department's capability to respond to major emergency incident extrications by equipping two additional ladder companies with special rescue equipment and tools. No additional personnel will be required and training of ladder company personnel will be conducted by Technical Rescue Team personnel while on duty. Phase One of the program was implemented in the FY 2000 Adopted Budget with the equipping of two initial ladder companies. With Phase One and Phase Two, a total of four ladder companies located in strategic areas of the City will have the rescue equipment needed to augment the services by the already equipped Technical Rescue Team.
- ⇒ Implement Ladder Truck Buy-In Program - \$615,000. The Fire Master Plan recommends the setting aside of funds over a period of years to build up resources for the eventual replacement of 11 ladder trucks from FY 2006 through FY 2009. Eleven trucks purchased in FY 1988 are scheduled to be replaced in FY 2006, under the normal timeframe for ladder truck replacement. No replacement funds have been allocated in the vehicle replacement fund for the 11 trucks. The amount of funds adopted to be set aside in FY 2001 is equivalent to the value of one replacement ladder truck, representing the first year of the funding set aside proposal. The Master Plan recommends that \$615,000 be set aside each year in FY 2001 through FY 2005. This will provide replacement funds to purchase five trucks in FY 2006. The Master Plan proposes that one-time resources be found in FY 2006 to acquire two additional trucks (over the five acquired with set-aside funds) with the remaining four trucks to be acquired over the subsequent three years, FY 2007 through FY 2009.
- ⇒ Replace Four Pumpers and One Ladder Truck with Lease-Purchase - \$135,062. This improvement will provide three months of the first year lease-purchase funding to replace five fire

apparatus - four pumpers (over three years) and one ladder truck (over five years). The Master Plan's goal is to replace all pumpers over 16 years old and all ladders over 18 years old. Two of pumpers to be replaced are 16 years old and two are 18 years old. The ladder is 18 years old. Funds are included to place the vehicles in the City's replacement fund. Implementation of this improvement will increase the number of pumpers in the replacement fund from 31 to 35 out of a total 55 pumpers.

◆ **COMMUNITY & CULTURAL INITIATIVES**

In response to the requests and identified needs of the community in the southwest portion of San Antonio, the Adopted Budget includes \$100,000 to initiate planning efforts for establishing a Southwest Multi-Service Center. The proposed Southwest Multi-Service Center would be designed on the model of other City multi-service centers which provide a variety of services.

◆ **SAN ANTONIO RIVER IMPROVEMENTS**

The Adopted Budget provides for the addition of \$3 million from the \$11.8 million in the City's proceeds from the recent CPS lease-lease back transaction as a contribution to the San Antonio River Improvements project. This project provides the City's match with Bexar County and the San Antonio River Authority in making flood control improvements, dams and amenities along the San Antonio River from Brackenridge Park to Mission Espada. The \$3 million available from the lease-lease back transaction will be part of the City's overall \$36 million contribution for amenities (combination of 1999 General Obligation Bond funds, future bond programs and certificate of obligation resources) to the project. The City's contribution leverages \$74 million in contributions to the project from the County Flood Control Tax and private resources. The total project over ten years is estimated at \$110 million.

◆ EMPLOYEE COMPENSATION

The City Council at the Goals & Objectives Worksession made the development of a competitively compensated and highly skilled workforce a budget priority. Specifically, the Council expressed the desire that the City's job classification and compensation plan be adjusted to reflect the realities of the job market. In response to this priority, the Adopted Budget contains several improvements with respect to workforce issues including a proposal to ensure that no employee be paid less than \$8.25 per hour which will allow an individual to support a family of four at just above the poverty level. These improvements will be discussed in detail in the City Employee Perspective Section (page S59) of the Executive Summary within the context of all City funds.

◆ TECHNOLOGY UPGRADES & TRAINING

The City Council recognized at the 2000 Goals & Objectives Worksession that technological advancements in computers have allowed the City to improve efficiency in the workplace. Specifically, the Adopted Budget includes **\$1.64 million in additional resources** to make further information technology improvements. These improvements include:

- ⇒ Enhance Geographic Information System (GIS) and Knowledge Management Capabilities - \$735,493. The Adopted Budget includes the addition of resources for centralized and implementation of the City's GIS Plan and Knowledge Management capabilities. This improvement is also consistent with the CRAG 2000 recommendations. GIS provides numerous computerized mapping applications in support of various City departments such as Planning, Police and Public Works. Knowledge Management is a concept under which City automated data in support of GIS and other City applications will be centrally stored and shared in a common data base structure or "data warehouse" to facilitate cross-departmental data analysis. The adopted improvement will acquire software and hardware to enhance and centralize the City's GIS, and acquire and implement Knowledge Management capabilities. The improvement also creates five positions in the Information Services Department to begin the acquisition, installation and programming of hardware and software necessary to build a centralized Knowledge Management-based infrastructure for GIS data. Specifically, this improvement will add two Senior GIS Analyst positions, one Information Systems Project Supervisor position, two Systems Programmer II positions, along with dedicated resources (four positions) from within the Information Services Department.
- ⇒ Acquire Information Technology Equipment - \$908,350. The City continues to make a commitment to improve service delivery and operational efficiencies through effective use of technology in all departments. This improvement sets aside funds for computer equipment requirements in General Fund departments. Specifically, this improvement allows General Fund departments to replace and upgrade older, less-compatible computer equipment and associated software.

◆ OTHER ADOPTED IMPROVEMENTS

The Adopted Budget addresses other organization issues through proposals to fully implement communication and customer service initiatives, to enhance public safety resources management, improve Library planning, improve City facilities maintenance, improve animal control services, improve customer service, and enhance financial management and accountability throughout the organization. The total value of these other adopted improvements is \$7.06 million.

The Adopted Budget provides for the addition of \$51,664 to the Community Relations Office to enhance 311 system operations. The 311 system is a centralized call system handling all non-emergency calls to the City via a 311 phone number for the public to use. The centralized call center allows citizens to call a

single number to request service, receive information, or to voice concerns about City programs or projects. The goals of the 311 project are to provide the public with easy access by phone to all City services, to enhance the quality and efficiency of City customer service, to improve the delivery of City services, and to reduce requests for emergency services for non-emergency events. Initiation of public use of the 311 phone number, along with a public awareness campaign, began in March 2000. Specifically, the addition of two 311 Customer Service Representative positions is adopted as an improvement.

The Adopted Budget also includes \$323,877 to support full year implementation of the Council Action Team in FY 2001, supporting five new positions. The goals of the Council Action Team are to facilitate communication between Councilmembers and City departments; to proactively identify, address and resolve community and neighborhood issues; and to enhance existing service delivery systems.

To help the Public Works Department respond effectively to the community's increasing demands for Public Works services and capital project status inquiries, the Adopted Budget includes \$119,940 to add four Customer Service Specialists. The positions will enhance communication with citizens, neighborhood groups, field investigators and crews, other City departments, and the Mayor and City Council.

Two improvements are adopted for the Internal Review Office in the FY 2001 Adopted Budget totaling \$403,440. These improvements are intended to enhance the contract audit and the equal employment opportunity (EEO) policy enforcement capabilities of the office. Specifically, the improvements include:

- ⇒ Enhance City Contract Auditing Capabilities - \$371,258. This improvement will add a new division in the Internal Review Office to focus on the auditing of the City's major contracts. The City has approximately 69 contracts worth over \$100,000 in annual revenue and approximately 158 contracts worth over \$100,000 in City expenditures. The improvement will permit the establishment of a program of regular audit of those contracts determined by a business contract risk assessment model to have the potential for the greatest risk to the City in terms of non-compliance or abuse. The division will consist of one Internal Audit Administrator, one Audit Manager, two Sr. Auditor positions and two Auditor positions.
- ⇒ Add One EEO Officer Position - \$32,182. In order to improve the timeliness of response to EEO-related investigations, the Adopted Budget provides for the establishment of an additional EEO Officer II position in the Internal Review Office. This improvement will bring the number of EEO Officer positions from two to three.

For the City Attorney's Office \$134,255 in additional improvements are adopted. They include:

- ⇒ Add One Assistant City Attorney III and One Assistant City Attorney II - \$99,255. This improvement will add two positions for the Development and Financial Services Division. These new positions will replace positions moved to the new Contracts Division created to implement the City Attorney's Action Plan.
- ⇒ Add Office Space for the City Attorney's Office - \$35,000. This proposal will provide resources to create new office space for the new Contracts Division in the City Attorney's Office.

The Adopted Budget provides for the addition of two positions in the Fire Department at a total cost of \$87,074. The cost of these positions will be completely offset through savings in overtime and increased permit fee collections. The specific improvements include:

- ⇒ Enhance Hazardous Materials Regulation - \$57,936. This improvement will add one Administrative Assistant II position. This additional position will increase revenues from the Hazardous Materials Permit Fee through the additional identification of entities which must fall into

compliance with the City's hazardous materials regulations. It is estimated that approximately 20% of businesses with hazardous materials in the City of San Antonio do not have a Hazardous Materials Permit. Through the efforts of this added position, the Fire Department estimates that the cost of the position will be offset with added permit fee revenue as well as generate \$52,064 in net added revenue to the General Fund annually.

- ⇒ Add One Radio Technician II Position - \$29,138. This improvement will add one civilian Radio Technician II position. This position will be responsible for the control of the Fire Department's radio and cellular phone inventory plus all accessories. Additionally, this position will be responsible for the programming of radios, making all minor repairs and coordinating and overseeing the installation of all communications equipment in fire and EMS vehicles. The cost of the improvement will be partially offset by a \$10,000 reduction in Fire Department overtime expenditures.

In response to recent Council direction, the amount of \$225,000 is set aside in the Adopted Budget to support the City's share for costs related to the conduct of a municipal election in November 2000 calling for adding fluoride in the City's water supply.

Two improvements are included in the Adopted Budget for the Parks & Recreation Department totaling \$148,304. They include:

- ⇒ Provide Enhanced Maintenance to San Pedro Park and Woodlawn Lake Improvements - \$68,728. Significant enhancements have been made to San Pedro Park and Woodlawn Lake facilities as a result of the 1994 General Obligation Bond Program. The Adopted Budget adds one Field Maintenance Crew Leader position and one Field Maintenance Worker I position and associated equipment to be used in conjunction with existing field maintenance worker positions to protect the investment made and enhance the level of maintenance to these premier facilities.
- ⇒ Establish an Asphalt Crew - \$79,576. This improvement will create three positions to support establishment of an asphalt crew to perform needed pavement maintenance with in-house resources. The Parks Department is responsible for 175 locations with asphalt surfaces (e.g. basketball/tennis courts, parking lots, jogging trails, bike trails, and golf cart paths). The cost of the improvement will be offset in part with facilities maintenance resources available in the Capital Improvements Reserve Fund.

The Adopted FY 2001 Budget includes \$75,000 to support development of a Library System Master Plan. This improvement will help provide resources to retain a consultant to develop the Plan. Specifically, the consultant will identify what library services are sought by customers in the local market and what services are currently provided. Additionally, the consultant will propose annual service level goals to be established along with identifying the associated costs of achieving those goals. The plan will evaluate the current Library organizational structure, available technology services, library collections, facilities, and existing and potential partnerships (with schools, the Library Foundation and Friends of the Library). The issues will be examined in the context of demographic information, economic development and governmental initiatives, educational and cultural resources and other City planning documents. The estimated cost is based on recent experience of comparable municipal libraries which have engaged in planning efforts of this scope.

The amount of \$10,000 is set aside to provide job experience to persons new to the workforce by providing temporary internship positions with various City departments. This improvement is consistent with the objectives of the Better Jobs Initiative. A total of 20 temporary positions will be established for use by departments in providing the internships.

To enhance Animal Control operations conducted by the Health Department, the Adopted Budget includes a total of \$229,188 in increased expenditures. These include:

- ⇒ Develop Five Year Animal Control Strategic Plan and Sustain Animal Control Operations - \$267,000. The Animal Control Division is supported out of the Public Health Support Fund. Revenues generated by the Animal Control Division through the assessment of license fees and the provision of various services have been insufficient to sustain Animal Control operations, despite efforts to increase revenues begun in FY 1996. In FY 1996, revenues were projected at \$545,000 and expenditures at \$519,020. Unfortunately, revenues have not met expectations as can be seen in revenues and expenditures projected for FY 2000. Projections in FY 2000 for revenues from the program are \$322,863 and \$634,676 for expenditures. In order to work toward making the Animal Control program more cost efficient, this improvement will provide funding for a consultant (\$35,000) to evaluate existing City services, community needs and revenue requirements, and to make recommendations for modifications to the City's Animal Control services, revenue structures, facilities and animal codes to meet those needs. The \$35,000 will be used to leverage support for development of the Strategic Plan from national and state humane societies. Results from the study are expected in FY 2001. As an interim measure, to ensure that the FY 1999 level of Animal Control operations can be maintained into FY 2001, the Adopted Budget provides for a one-time transfer of \$182,000 from the General Fund to the Public Health Support Fund.
- ⇒ Upgrade the Animal Control Fleet - \$12,188. This improvement will fund the incremental amount needed by the Animal Control Division to purchase two cargo vans with stainless steel interior cages to replace two of the six 3/4 ton Animal Control pick-up trucks scheduled to be replaced in FY 2001. The present vehicles have exposed exterior cages. The entire animal control fleet (which consists of 24 vehicles) will be eventually brought up to the new standard.

In the Finance Department, the Adopted Budget adds six positions at a cost of \$141,967, to be completely offset by the additional revenue generated through a focused accounts receivable unit. The specific improvements include:

- ⇒ Create Accounts Receivable Section - \$109,328. This improvement will add five positions (two Financial Accountants, two Account Clerk II's and one Contract Specialists) to create an Accounts Receivable Section. This section will monitor and collect receivable, ensuring timely remittance of revenues and accurate financial presentation. In FY 2000, the City did not have a unified accounts receivable section. Revenues to the General Fund from the new section's efforts will offset the added cost and net the General Fund an additional \$359,815 in revenue for FY 2001. The initial increase added revenue will be from collection of non-sufficient fund (NSF) checks and from delinquent Code Compliance violations fines.
- ⇒ Add One Senior Administrative Assistant Position to Financial Management Division - \$32,639. This improvement will provide needed statistical research and information gathering support for the preparation of debt issuance-related documentation and presentation materials. The cost of this position can be charged off to investment earnings and bond projects.

The Adopted Budget includes \$4.43 million for four improvements for Mayor and City Council:

- ⇒ Additional Year of Funding for Council One-Time Projects - \$4.4 million. The Adopted Budget adds a year of funding for Council One-Time Projects in FY 2001. The amount set aside in FY 2001 for the Mayor and each Council District is \$400,000 which reflects an adjustment over the FY 2000 amount of \$350,000.
- ⇒ Increase District Contingency Fund Budgets by \$5,000 Apiece - \$55,000. In recognition of rising costs, this improvement will raise the Contingency Fund of the Mayor and each Council District from \$10,000 to \$15,000.
- ⇒ Increase District Administrative Assistant Fund Budgets by \$7,000 Apiece - \$77,000. The Adopted Budget provides that the Administrative Assistant Fund for the Mayor and each Council District be raised from \$100,000 to \$107,000. The rate of the increase (seven percent) is consistent with the proportionate increase in the salary expenses being adopted for the civilian workforce by the Adopted Budget.

In order to increase support to Council district-specific programs geared toward senior citizens services, The FY 2001 Adopted Budget includes \$100,000 in added expenditures. Specifically, this amendment will increase the \$20,000 currently allocated to each Council district to \$30,000. The district-specific senior citizens programs are administered by the Community Initiatives Department.

The Mexico City office of the City's CASA San Antonio program, administered by the International Affairs Department is relocating to a new facility in Mexico City. The Adopted Budget includes \$20,000 to offset any finish-out expenses for the new location.

The Adopted FY 2000 Budget includes \$5.98 million for contributions to delegate agencies. The Adopted Budget for FY 2001 provides that the allocation for delegate agencies be increased by the rate of inflation projected for FY 2001, or 2.6%, thereby increasing the allocation by \$130,000 to a total of \$6.29 million.

The Adopted Budget provides \$70,000 as a contribution for Any Baby Can of San Antonio. This agency provides short-term crisis intervention services, case management, and direct assistance to families with infants or children ages birth to 12 years who have severe medical problems or disabilities. The agency did not receive support in the Proposed Budget because Any Baby Can failed to meet the City's deadline for submitting an application under the Delegate Agency funding process. Nevertheless, \$70,000 is included in the Adopted Budget with the provision that, in the future, the agency must submit its funding proposal within the time limits provided under the City's process and comply with all monitoring requirements.

Included in the Adopted Budget is \$270,900 to provide professional services to assist Municipal Courts in the collection of delinquent parking fines. The added cost of the professional services will be offset from the added revenue and, furthermore, net the General Fund an additional \$149,100 in annual revenue.

● **Mandated Improvements to Service Delivery**

The Adopted Budget contains **\$12.84 million** in mandated improvements. Mandates are defined as programs which the City must support as required by federal, state, or local law; required by contractual obligation; or required to support operation and maintenance costs for completed capital improvement projects. The improvements are described below and categorized by the Council's Budget Priorities.

◆ WATER SUPPLY & QUANTITY

The Adopted Budget contains \$343,012 for a mandated improvements associated with the Water Supply Budget Priority. Specifically, the improvements relate to implementation of the Parks Development and Expansion Proposition approved by the voters in May 2000. The Parks Development and Expansion program consists of \$65 million for the acquisition of open space parks over the Edwards Aquifer Recharge Zone (\$45 million) and the acquisition and development of linear parks along Leon Creek and Salado Creek (\$20 million). The improvements include:

- ⇒ Establish Special Projects Manager Position - \$55,672. The Adopted Budget provides that a Special Projects Manager position be established to coordinate all City-activities associated with developing bike trails, creek improvements and open space acquisition over the Aquifer Recharge Zone using Parks Development and Expansion Proposition-authorized resources. This position will report to the City Manager's Office. The cost of this improvement will be offset by additional charges to capital projects established to build proposition-related facilities.
- ⇒ Provide for Facilities Maintenance and Operation - \$287,340. The mandated improvement creates eight positions in the Parks & Recreation Department (three Park Rangers, one Administrative Aide, one Project Management Specialist and three Field Maintenance Worker I's) to provide land management and administration to acquired properties. The additional positions will provide vegetation management, erosion control, exotic species control and wildlife management and trail management. The three additional Park Ranger positions will be required to patrol the linear park land acquisition. Of the total cost of this mandate, \$118,862 can be offset by additional charges to capital projects established to build proposition-related facilities for a net cost of \$168,478.

◆ PERFORMANCE REVIEWS

The Adopted Budget contains \$156,620 to complete implementation of the Development Services/Code Compliance Performance Review's recommendations related to the Health Department. In the FY 2000 Adopted Budget, 20 laptop computers and associated equipment were provided to some Health Department sanitarians as an initial step to increase productivity by allowing them more time to conduct more thorough inspections and to explain violations to establishment owners and managers. The Adopted Budget includes funding to acquire 20 additional laptop computers for the remaining sanitarians.

◆ POLICE AND FIRE MASTER PLANS

The amount of **\$1.12 million** in mandates in conjunction with implementation of both the Police Vision 2001 Plan and the Fire Master Plan.

For the Vision 2001 Plan, \$441,933 in mandated improvements are included in the Adopted Budget. The mandates include the following:

- ⇒ Operate and Maintain Public Safety Integrated Technology System - \$223,250. The 1999 Bond Program earmarked \$17.4 million for three technology systems - Field Entry Reporting (FERS), Optical Disk Storage and Retrieval, and Supplementary Report Management. These systems, jointly referred to as the "Public Safety Integrated Technology System," will provide a comprehensive information management system to increase police officer and detective effectiveness while enhancing customer service. Components of the system will enable officers to enter reports from the field, as well as improve the filing, preparation and storage of important case information. This mandate provides for maintenance, service and wireless data transmission service charges for 270 FERS units to be deployed in FY 2001.

- ⇒ Provide 1999 Universal Hiring Program Grant Match - \$154,140. This mandate provides the last year of the required grant match for the ten uniformed officer positions added in FY 1999 under this program.
- ⇒ Provide COPS MORE Program Grant Match - \$64,543. This mandate will provide the required match to leverage \$181,388 from the federal COPS MORE grant program. Grant and match funds will be used for technology and equipment purchases and salaries and benefits for 11 civilian expediter positions devoted to handling telephonic police reports.

Consistent with the Fire Master Plan, the Adopted Budget includes \$1.49 million dollars to operate two new fire stations:

- ⇒ Establish Kelly Air Force Base Fire Station (#50) - \$234,449. This mandated improvement provides resources needed to establish a fire company at Kelly Air Force Base. The costs include staffing costs for 15 fire personnel as well as associated costs of equipment. The company will occupy the existing Kelly Air Force Base fire station and begin fire service in July 2001. Also included in the FY 2001 facilities improvement budget is \$61,000 for modifications to the existing fire station to make it ready for Fire Department occupancy.
- ⇒ Establish O.P. Schnabel Fire Station (#49) - \$522,608. As required by the Master Plan, this mandated improvement provides resources needed to establish a fire company to serve the O.P. Schnabel Park area on the Northwest Side. The costs include staffing costs for 15 fire personnel as well as associated costs of equipment.

◆ **SAN ANTONIO RIVER IMPROVEMENTS**

The Adopted Budget contains \$36,622 for a mandated improvement related to the San Antonio River. This mandate will add two Field Maintenance Worker I positions in the Parks & Recreation Department to provide maintenance to the extended River Walk at the expanded Convention Center. The area will require daily powerwashing and vacuuming of sidewalks, ramps, stairs, and the removal of debris from the water. Horticultural maintenance of all landscaped areas will also be a priority.

◆ **EMPLOYEE COMPENSATION**

Mandated employee compensation-related improvements relative to the police and fire collective bargaining agreements will be discussed in the City Employee Perspective Section (page S59) of the Executive Summary beyond the context of the General Fund only.

◆ **TECHNOLOGY UPGRADES & TRAINING**

The Adopted Budget includes \$48,000 as a mandated improvement to support the annual cost of operating telecommunication lines installed to support 15 Health Department clinics with resources provided by the State of Texas Telecommunications Infrastructure Fund Grant.

◆ ANNEXATION-RELATED MANDATES

The Adopted Budget includes \$849,740 in mandated improvements to provide services to areas which will be annexed this year. The areas scheduled to be annexed in December 2000 are: FM 1604/Potranco Road, IH 10 West and Bulverde Road/FM 1604. The La Paz subdivision was annexed by City Council action in April 2000 in conjunction with the creation of a Tax Increment Financing District. These areas are described more specifically as follows:

- ⇒ The FM 1604/Potranco Area contains approximately 2,282 acres and is located along FM 1604, between Potranco Road and Highway 151. The area contains several commercial tracts and vacant undeveloped property and several subdivisions (including North San Antonio Hills, Oak Creek and Spring Vistas). There are 1,230 housing units and a population of 3,822 in this area.
- ⇒ The IH 10 West area includes approximately 400 acres and is located 1,000 feet west of the IH 10 West right-of-way and south across Boerne Stage Road. The annexation area then widens to an area of approximately 3,000 feet as it follows property lines south to meet the existing City limit line at the Traylor subdivision and Frederick Park. There are 130 housing units and a population of 155 in this area.
- ⇒ The Bulverde Road/FM 1604 Area contains approximately 4,855 acres and includes vacant undeveloped property, commercial and quarry related businesses located along Judson and FM 1604 and several subdivisions (including Redland Woods, Emerald Forest, and Northwood Hills). There are 1,130 housing units and a population of 3,233 in this area.
- ⇒ The La Paz annexation area is approximately 393 acres with borders of IH 10, Foster Road and St. Hedwig Road. This area is currently under development as a mixed residential/commercial area and is not yet populated.

The \$849,740 in mandated added costs in FY 2001 to provide services in the above annexation areas are listed by department below. Consistent with the Annexation Plan, when added revenues and added mandated expenditures associated with the projected annexations are examined, on average over the next ten years the General Fund will net \$148,376 annually in revenue.

- ⇒ Building Inspections - \$21,000. Added funds to offset costs of providing inspection services to developing subdivisions.
- ⇒ Code Compliance - \$11,000. Added costs of providing code enforcement.
- ⇒ Fire - \$19,190. Additional fuel costs for making fire suppression calls.
- ⇒ Fire/EMS - \$313,817. Added cost for purchase of an ambulance unit and for peak period EMS staffing.
- ⇒ Health - \$17,601. Additional fuel costs for extending Animal Control and Vector Control services.
- ⇒ Municipal Elections - \$1,349. Costs to establish an additional voting site.
- ⇒ Non-Departmental/Non-Operating - \$23,000. Added electricity expenses for supporting street lights.
- ⇒ Police - \$393,693. Addition of seven Police Officer positions along with associated equipment costs.
- ⇒ Public Works - \$49,090. Added costs for streets and traffic control system maintenance.

◆ OTHER MANDATED IMPROVEMENTS

Other mandated improvements in the General Fund total \$867,809. They are listed by department below:

- ⇒ City Attorney - \$30,000. Required added costs to pay outside legal fees to review certain title issues arising from the City's purchase of property damaged by the October 1998 flood.
- ⇒ Finance - \$90,590. Addition of three positions (one Accounting Supervisor and two Financial Accountant positions) to implement changes to the City's financial reporting system required by the Governmental Accounting Standards Board (GASB). The new GASB standard changes the way governmental financial information is communicated to citizens, bond raters, and creditors. The new standard requirements will take effect on October 1, 2001 and the positions are needed to prepare the City's financial system for full implementation of the new standard. The new positions will also produce an annual report to help communicate City fiscal information to the public.
- ⇒ Parks & Recreation - Three mandated improvements totaling \$476,314. These include:
 - Add 12 positions (\$270,730) to operate and maintain 1999 Bond Program capital improvements as well as the Mission Trails project. Specifically, this mandate will add twelve positions (four Park Rangers, one Administrative Aide, four Field Maintenance Worker I, one Landscape Irrigator, one Plumber Helper, and one Gardener I) to assist in the operations, maintenance, and administration of 1999 Bond Program Projects and the Mission Trails Project. One time costs include two vehicles, computer equipment and field equipment.
 - Add three positions (\$72,084) (one Community Center Leader I, one Community Center Leader II, and one Senior Community Center Leader) to operate the expanded Lackland Terrace Community Center.
 - Acquire filtration equipment for 11 City swimming pools (\$133,500). This mandate will provide resources for acquisition and installation of chemical treatment equipment to allow 11 City swimming pools to meet new state Health Department pool standards. Specifically, the 11 pools do not meet the minimum water turnover rate, which is four complete turnovers in a 24-hour period. The 11 pool facilities are Concepcion, Cuellar, Elmendorf, Fairchild, Kingsborough, Lincoln, Normoyle, Roosevelt, Southside Lions, Jimmy Flores, and Westwood Village pools.
- ⇒ Police - Two mandated improvements totaling \$222,375. These include:
 - Provide grant match to the Regional Auto Crimes Team (ReACT) Program (\$64,556). The ReACT program pays for 14 positions (12 uniformed and two civilian) in the Police Department dedicated to conducting vehicle salvage inspections and surveillance within areas experiencing high rates of auto theft. The mandated match provides funding for fringe benefits not otherwise covered by the grant.
 - Increase payment to the Bexar County Medical Examiner for contractual crime lab services (\$157,819) as a result of recent renegotiations of the contract.
- ⇒ Public Works - \$48,530. Required added costs of disposing of refuse from street maintenance operations under the City's contracts with private landfill operators.

● Reductions

In order to address the \$7.97 million shortfall projected in FY 2001 by the Five Year Financial Forecast, it was necessary to make reductions in the FY 2000 level of services provided by the General Fund. To this end, the Adopted Budget contains **\$2.94 million** in reductions to include the elimination of 30 positions. The reductions are described below by department.

- ⇒ Asset Management - \$33,118. Eliminate one vacant Real Estate Specialist position.
- ⇒ Budget & Performance Assessment - \$41,762. Reduce personnel costs through the management of vacant positions.
- ⇒ Building Inspections - Two reductions totaling \$127,998. The reductions include:
 - Eliminate one vacant Senior Permit clerk position at the Zarzamora Service Center (\$25,209). Permitting functions will be provided at the four Community Link Centers.
 - Eliminate two vacant positions supporting the amortization activity (\$102,789). This reduction will eliminate one Planner I position and one Administrative Clerk I position supporting the Board of Adjustment (BOA) and will reduce the amortization contract funds by \$49,008. The positions adopted for elimination were added two years ago to help with increased workload related to the amortization of a Sexually Oriented Business (SOB). This reduction is adopted in response to declining activity experienced in this area. Two positions will remain supporting amortization efforts. The number of SOB non-conforming cases has gone from thirty to eight.
- ⇒ City Attorney - \$15,326. Reflect reduction in FY 2000 expenses experienced for contractual services.
- ⇒ City Clerk - \$18,378. Reduce official advertising expenses in response to lower costs. Also reduce contractual fees for preservation of archival records relying more on grant funds.
- ⇒ City Manager's Office - \$12,896. Reduce administrative expenditures through cost savings realized in the FY 2000.
- ⇒ Code Compliance - \$58,634. Reflect reduction in FY 2000 expenses experienced in advertising, title searches, photography (relying more on digital cameras), postage, and binding and printing.
- ⇒ Community Initiatives - Six reductions totaling \$181,286. These reductions include:
 - Eliminate one vacant Literacy Program Coordinator position (\$10,075).
 - Eliminate one vacant Security Guard I position at the Carver Community Center (\$25,071). The Center will be closed for 17 months for renovations and expansion. The contractor will provide security for the site.
 - Eliminate one vacant Caseworker II position in the Community Action Division (\$33,118).
 - Reduce Direct Welfare Program assistance payments and offset the reduction with grant resources (\$49,874).
 - Reduce temporary salaries budget (\$33,000) in the Director's Office.
 - Reduce contractual services expenses (\$30,148) originally budgeted in FY 2000 to conduct a special study on community-wide child care needs which has since been completed.
- ⇒ Community Relations - \$27,140. Reduce contractual services and commodities expenses. Achieve cost savings in the formatting and distribution of City publications.
- ⇒ Contributions to Other Agencies - \$461,686. The City's General Fund contribution to the Greater Kelly Development Authority (GKDA) is no longer required since the City has fulfilled its prior three-year commitment for operating expenses and GKDA is operating with its own source of

revenues from leases of Kelly facilities under its control.

- ⇒ Economic Development - \$50,000. Decrease contribution to the Inner City Loan Fund in response to reduced loan demand. \$200,000 remains available in the FY 2001 Budget as a contribution to the fund.
- ⇒ Finance - Two reductions totaling \$52,107. These reductions include:
 - Reduce overtime, professional services fees and office supplies expenses (\$11,189) to reflect actual experienced lowered costs.
 - Eliminate vacant Management Analyst position in Director's Office (\$40,918).
- ⇒ Health - Three reductions totaling \$308,634. These reductions include:
 - Eliminate two vacant Sanitarian I positions in the Food & Environmental Section (\$66,236) with minimal impact as a consequence of increasing efficiencies arising from technological investments.
 - Eliminate six vacant nursing services-related positions (\$141,754).
 - Eliminate three vacant Dental Hygienists in the Dental Division (\$100,644)
- ⇒ Intergovernmental Relations - \$14,512. Reduce fees paid to federal relations consultant to reflect savings realized in recently renewed federal relations consultant contract.
- ⇒ Library - \$114,649. Discontinue service from one of the two City bookmobiles. Three filled Bookmobile Library Assistant positions will be eliminated and the position occupants will be reassigned.
- ⇒ Municipal Court - \$49,963. Two reductions totaling \$49,963. These reductions include:
 - Reduce mail and parcel post expenses (\$10,818). These expenses will be incurred by the delinquent parking fine collection contractor, adopted as an improvement in the FY 2001 Budget
 - Eliminate one vacant Senior Administrative Assistant position (\$39,145).
- ⇒ Non-Department/Non-Operating - \$244,443. Savings to be achieved to the General Fund by extending the replacement criteria of non-public safety City vehicles by three months.
- ⇒ Parks & Recreation - Three reductions totaling \$583,239. These reductions include:
 - Achieve savings in After School Challenge Program food budget (\$350,000). The school districts participating in the After School Challenge Program will be funding food expenses associated with the program via grant resources.
 - Increase cost recovery for Parks capital projects expenses (\$146,237) by charging off appropriate Parks Projects Division staff time to capital project budgets.
 - Reduce swimming pool maintenance expenses (\$87,002) to reflect lessening pool usage during the summer months caused by earlier school year start dates.
- ⇒ Planning - Two reductions totaling \$28,430. These reductions include:
 - Eliminate funding for open space inventory program consulting services (\$21,470). Function can be supported by the Planning Department GIS staff and existing resources.
 - Reduce title and filing fees paid for registering historic landmarks with the County Clerk's office (\$6,960), reflecting actual reduction in costs for this program.
- ⇒ Police - Two reductions totaling \$345,864. These reductions include:
 - Redirect six Police Officer positions from previous duties to Police Staffing Plan's Directed Patrol initiative (\$285,864). Specifically, four Police Officer positions in Recruiting, one position in Crime Stoppers and one position in Narcotics will be transitioned to support the Directed Patrol adopted improvement.
 - Eliminate one vacant civilian Project Development Manager position from the Victim's

Advocacy Section (\$60,000).

⇒ Public Works - Three reductions totaling \$175,400. These reductions include:

- Defer installation of school zone flashing beacons for zones (\$100,000). The 23 zones are not part of the Metropolitan Planning Organization (MPO)-supported school flasher program, which will continue unaffected.
- Reduce traffic signal upgrade program expenses (\$25,000) to reflect offsetting added revenues from developers for installation of traffic lights.
- Reduce temporary services expenses in the Capital Programs Division (\$50,400) to reflect the filling of vacant positions.

FY 2001 OTHER FUNDS

INNER CITY REVITALIZATION FUND

The Inner City Revitalization Fund was established in FY 1999 to represent City expenditures associated with neighborhood revitalization, improvement, and maintenance for the area of the City within Loop 410. A total of \$20.4 million in resources have been identified for expenditure in the Inner City Revitalization Fund for FY 2001 to include \$2 million from the FY 2001 CDBG Budget and \$1 million from the CPS lease-lease back transaction proceeds which are earmarked for neighborhood revitalization, housing rehabilitation, and Super Sweep program implementation.

The revenues for the fund come from annexation net revenues, CPS revenues, CDBG resources, HOME grant program resources and Hotel/Motel Occupancy Tax resources. The annexation net revenues are calculated as the average annual net increment of the ten year annexation revenues over expenditures estimated in 1997, 1998, and 2000 respectively, for consideration of the Annexation Plans in those years. For 1997, the average annual net increase was \$175,449, for 1998, the amount was \$315,944, and for 2000, the amount is \$148,376. CPS and other revenues also contribute to this fund (\$9.6 million). The CDBG and HOME grant amounts of \$3.5 million and \$6.5 million, respectively, come from the recently adopted budgets for these programs. The Hotel/Motel Occupancy Tax Fund resources include \$205,324 from Arts Agency contributions funds for the Inner City Arts Partnering Project and the adopted Neighborhood Heritage Initiative.

The projected expenditures are broken down as follows: (1) \$10.5 million to support the improvements adopted in FY 1999 and FY 2000, and adopted for FY 2001 consistent with the recommendations of the initial CRAG 1998 Final Report and the CRAG 2000 Final Report; (2) \$3.5 million to address CDBG-funded housing and neighborhood revitalization programs; and (3) \$6.5 million to address HOME programs for first-time homebuyers, owner-occupied housing rehabilitation and rental rehabilitation.

HOTEL/MOTEL TAX FUND

The Adopted Budget for the Hotel/Motel Tax Fund is \$45.5 million. This Special Revenue Fund supports the Convention & Visitors Bureau, Convention Facilities, International Affairs, Cultural Affairs, outside arts agencies, and other convention/tourist-related activities. The Fund anticipates growth in Hotel/Motel tax collection over the FY 2000 re-estimate at a rate of 6.3% (\$2.17 million) based on two factors: (1) \$1.617 million in added revenue to come from normal projected annual growth (at a rate of 4.7%), and (2) another \$555,425 in added revenue anticipated to result from the addition of \$500,000 in the Convention & Visitor Bureau's advertising budget. The Adopted FY 2001 Hotel/Motel Tax projected amount is 6.1% in excess of the Adopted FY 2000 projection. Hotel/Motel Occupancy Tax revenue projections are based upon an analysis of anticipated lodging demand, projected average daily room rates, estimated hotel/motel room supply and inflation rates.

The Adopted Budget includes \$4.3 million in improvements associated with operation of the expanded and renovated Convention Center which will open in March 2001. A total of 194 positions are adopted to be added to the Convention Facilities Department to operate the expanded spaces of the Convention Center, increasing the department's personnel complement to 403 positions. The improvements are consistent

with the preliminary recommendations of an internal performance review of the Convention Facilities Department. The adopted improvements are designed to not only operate the expanded facility in the same manner as the old facility, but also to improve customer service delivery with added professional staff positions focusing on dedicated event coordination, quality assurance and increased management oversight. Also included as an improvement in support of the Better Jobs Initiative is a scholarship program which provides area high schools with matching scholarship dollars for students interested in hospitality management studies. The matching funds will come from a rebate of 50% of high school rental fees from graduations and other school events at Municipal Auditorium. The Adopted Budget also includes \$229,188 in adopted reductions for Convention Facilities involving six vacant maintenance positions.

With respect to the Convention & Visitors Bureau (CVB), the Adopted Budget includes \$835,204 in adopted improvements. Primary among the adopted improvements is a \$500,000 increase to the Bureau's advertising budget for FY 2001. An additional Account Executive II position to assist the Public Relations staff (\$32,183) and an additional Senior Management Analyst for the Finance & Administration division (\$30,506) are also included as improvements. Also included in the CVB's improvements is a one-time addition of \$250,000 to the Hotel Motel Fund's FY 2001 contribution to the Sports Foundation to assist the foundation in preparing the bid materials for the Pan Am Games. This amount is in addition to a \$22,515 increase in funding in the Adopted Budget to the Sports Foundation to recognize its increasing role in assisting San Antonio compete with other cities for major sporting events. These two increases combined will bring the total City contribution to the Sports Foundation to \$400,000.

Also, with respect to the Convention & Visitors Bureau, the Adopted Budget contains \$521,817 in mandated expenditures covering meeting hosting obligations and added expenses associated with promoting and marketing the opening of the expanded Convention Center in FY 2001. In addition, within the Adopted Budget are \$245,417 in adopted expenditure reductions which reflect actual cost reductions experienced in FY 2000.

For the Cultural Affairs Office, the Adopted Budget contains \$150,000 as an improvement. The improvement is included as a means to enhance San Antonio's reputation as a premier tourist destination as well as promote inner-city neighborhood development consistent with the recommendations of CRAG 2000. Specifically, this improvement will provide funding to promote inner city neighborhood arts and cultural events such as Contemporary Arts Month and Dia de los Muertos.

With respect to the International Affairs Department, the Adopted Budget includes \$47,910 in adopted improvements. Among the improvements include:

- ⇒ Southeastern Mexico Initiatives Position - \$19,000: As noted above in the discussion of General Fund improvements, the Adopted Budget provides \$50,000 from the General Fund to establish a contractual position at the City's Casa San Antonio in Mexico to focus on improving San Antonio's trade relations with the southeastern region of Mexico. To support this position's efforts to promote tourism to San Antonio, the Adopted Budget further provides \$19,000 from the Hotel/Motel Fund in FY 2001 to offset expenses associated with the position.
- ⇒ International Center Fellowship Program - \$10,000: The Adopted Budget provides \$10,000 for a new International Center Fellowship Program, to be implemented consistent with the Better Jobs Initiative, which will provide college students with internship opportunities with international-related companies and agencies operating in the International Center.
- ⇒ CASA San Antonio Program Performance Review - \$8,910: The Adopted Budget includes \$8,910 to cover expenses associated with the conduct of an internal performance review and technical assistance of the CASA San Antonio Program.

With respect to the contribution to Arts Agencies from the Hotel/Motel Fund, the Adopted Budget provides

for the addition of a 2.6% inflationary adjustment to the overall arts agencies contribution equal to \$60,849. Also, within this category of expenditure is an additional \$300,000 to support the San Antonio Symphony on a one-time, challenge basis to encourage community support. Specifically, these funds are intended to leverage other community funds that, in combination, would be used as an endowment to keep the Symphony in permanent solvency. This additional amount brings the total contribution by the City to the Symphony in FY 2001 to \$831,422. The inflationary adjustment and the one-time \$300,000 contribution to the Symphony bring the total contribution level available for distribution to Arts Agencies to \$2.7 million.

ALAMODOME OPERATING FUND

The Adopted Budget for the Alamodome Fund is **\$9.4 million**. The Alamodome will operate with revenues in excess of expenditures for the eighth straight year. The primary sources of revenue from operation of the Alamodome are facility rentals, food and beverage concessions, reimbursable expenses and various event-related fees. Total Alamodome rental and facility fee revenue in FY 2000 is estimated at \$8.053 million which will be 3.6%, or \$299,366, below the \$8.353 million budget. For FY 2000, the revenue estimate reflects less Spurs home playoff games than had been anticipated (two games versus the five games expected). For FY 2001, the \$9.47 million revenue projection assumes four Spurs playoff games.

Going into the new fiscal year, the Alamodome's Renewal & Improvement (R&I) Fund contains a balance of \$2.4 million and its Improvement & Contingency (I&C) Fund has a balance of \$265,579.

In support of the Better Jobs Initiative, the Alamodome Fund includes \$12,595 in its FY 2001 Adopted Budget to create an internship program providing opportunities for high school and college students to gain exposure to the visitor/entertainment industry.

The Adopted Budget for the Alamodome Fund also reflects \$208,671 in reductions resulting from the elimination of six vacant positions

AVIATION FUND

The Adopted Budget for the Aviation Fund is **\$40.64 million**. In FY 2001, the fund will continue to maintain a three month operational reserve of \$5.48 million.

Consistent with the recommendations of the Aviation Re-Engineering Study, the Adopted Budget contains \$262,217 worth of reductions to gain cost efficiencies. Specifically, the reductions involve the elimination of 11 vacant positions – seven from the Parking Division, three maintenance technicians and one drafting technician.

The Adopted Budget includes two improvements: (1) a Human Resource Analyst II position dedicated to expediting job recruitment and placement for the Aviation Department (\$37,244), and (2) a Special Projects Coordinator position (\$46,624) to enhance the department's financial analysis and capital programs management capabilities.

GOLF FUND

The FY 2001 Adopted Budget for the Golf Fund is **\$7.6 million**. The fund continues to reflect more cost-efficient performance as a consequence of implementing recommendations from the Golf Operations Performance Review in FY 2000. The fund is able to include in its Adopted Budget a reduction in the amount \$136,639 resulting from larger than necessary amounts of botanical and agricultural supplies in stock.

The Adopted Budget also includes \$142,000 in additional revenues for FY 2001 from increased adopted golf cart fees and fees for use of driving range balls.

The fund will continue to promote and expand initiatives such as the Junior Golf Program, utilize recycled water for irrigation, and promote the City's golf courses to the hotel and convention industry.

PARKING FACILITIES FUND

The FY 2001 Adopted Budget of the Parking Facilities Fund is **\$8.5 million**. The fund continues to maintain its financial stability, and projects total revenues to exceed \$8.5 million. Consistent with the covenants associated with the recent issuance of Parking System Revenue Bonds, the Adopted Budget includes \$704,999 in increased revenues for FY 2001 from changes in parking meter rates and increased rates at the Riverbend and Mid-City Garages. To provide for increased cost efficiencies, the Adopted Budget includes \$177,111 in reductions involving the elimination of 11 vacant positions at various parking facilities.

The Adopted Budget also provides \$26,517 to initiate operations with ten new positions in the summer of 2001 of the new St. Mary's Street Parking Garage being constructed with proceeds from Parking System Revenue Bonds.

SELF INSURANCE - EMPLOYEE BENEFITS FUND

The FY 2001 Adopted Budget for the Self Insurance Employee Benefits Fund is **\$43.6 million**. The City has long maintained as a significant employment benefit a health insurance program for employees and their dependents that is provided at no cost to the employee (standard CitiMed plan). However, as described in the City's Five-Year Financial Forecast, the City's continued ability to maintain this benefit has been threatened by significantly rising medical costs which have increased in recent years well above the normal rate of inflation. Specifically, as one example, rising medical and prescription claims costs have resulted in double digit cost increases of 10% and 11% over the past two fiscal years, respectively, for the City's standard CitiMed self-funded health insurance plan. Prescription costs are expected to continue to rise at an annual 15% to 18% pace with the development of new, more costly medications without generic equivalents. Medical claims costs, also following national trends, are expected to rise at a rate from 7% to 9% during the next fiscal year.

Another factor contributing to increasing costs is that state and federal mandates over managed care have resulted in a reduction in the number of viable health maintenance organization (HMO) programs. The City offers HMO plans to employees who pay added premiums to participate in those plans. The number of HMO plans offered to employees was reduced from three to two plans in 2000, and will reduce to one for 2001. The reduction to one HMO program will result in an increase in cost to the standard CitiMed health self-insurance program as members move to the CitiMed plan due to increased HMO premium costs and limited HMO-supported health services provider networks. The Adopted Budget increases departmental assessments for employee health insurance to cover these rising costs.

SELF INSURANCE - WORKERS COMPENSATION FUND

The FY 2001 Adopted Budget for the Self Insurance Workers Compensation Fund appropriation is **\$12.5 million**. Revenues collected by the fund are received through departmental assessments based upon claim loss history. Since FY 92, the Fund balance has turned around from a shortfall of \$9.8 million to a projected balance of \$5.6 million in FY 2001. The fund balance enables the City to maintain a reserve capable of supporting all of its existing estimated claims liabilities. Aggressive management of claims and improved performance in employee safety have aided the financial recovery of this fund and allowed for periodic rebates.

SELF INSURANCE - LIABILITY FUND

The FY 2001 Adopted Budget for the Self Insurance Liability Fund is **\$9.8 million**. The Liability Fund consolidates the City's liability insurance programs and collects revenues through assessments based upon a formula which considers a department's claim history, property value and budget. Aggressive management of claims through the newly created Claims Board and assessment rate adjustments made over recent years and continuing into FY 2001 will permit this fund to go from a \$5.64 million deficit incurred in FY 92 to a positive fund balance of \$4.6 million in the FY 2001 Budget. The remaining balance in the fund provides a reserve against future liabilities.

SOLID WASTE FUND

The Adopted Budget for the Solid Waste Fund is **\$46.9 million**. For the seventh consecutive year, no increase to the \$10.50 monthly solid waste charge is adopted. The Adopted Budget includes \$1.2 million in mandated added expenditures and adopted improvements. Among the improvements include \$577,736 to add nine positions and associated equipment to create three new garbage routes. These new routes are necessary to keep up with the growth in residential subdivisions in the City.

Two mandated expenditures totaling \$538,697 are also included in the Adopted Budget. The amount of \$177,872 is set aside to provide solid waste services to areas being annexed by the City in FY 2000. These added costs will be offset by added revenues from the annexed areas. Consistent with the City's policy, the annexed areas may retain their pre-annexation private refuse collection firms with whom the City will contract to provide the service. The other mandate involves an additional \$360,825 needed to meet the increased cost requirements of the City's contracts with refuse disposal and collection companies which contain provisions calling for automatic increases in fees in accordance with inflation.

The Adopted Budget also includes \$177,000 in expenditure reductions to reflect cost savings realized during FY 2000.

STORMWATER OPERATING FUND

The FY 2001 Adopted Budget of the Stormwater Operating Fund is **\$17.5 million**. The primary source of revenue for the Stormwater Fund is the Stormwater Fee, which is assessed each water meter within the City of San Antonio. One improvement consistent with implementation of the Development Services Performance Review is included in the Adopted Budget for \$48,011. Specifically the improvement will add one Drainage Engineer to the Public Works Department to increase the department's productivity in the timely review of the drainage-related portions of subdivision plans, building permit applications and public improvement projects.

As projected in the Five Year Financial Forecast, the balance for this fund will continue to decline in FY 2001. While no Stormwater Fee rate increase is recommended for the new fiscal year, it is not expected that the fund will be able to continue to operate with a positive fund balance without a rate increase in the near future.

BUILDING MAINTENANCE FUND

The Adopted Budget establishes a Building Maintenance Internal Services Fund in FY 2001. This fund is adopted to be managed by the Building Maintenance Division of the Public Works Department. The purpose of the new fund is to pool the resources previously expended by various departments into a single fund in order to regularly fund the proper maintenance and improvements of specified City facilities. In FY 2001, the fund will support maintenance activities in 22 City facilities. Growth in the number of facilities supported will be re-examined in subsequent fiscal years.

Revenue to the Building Maintenance Fund will be generated by two departmental charges. The first is a fixed rate charge based on square footage, types of services provided (i.e. utility payments, security, janitorial), administrative costs and contributions to future capital improvements. The second charge is a variable charge for trade services such as plumbing, electrical, carpentry, painting and heating/ventilation/air conditioning (HVAC).

The Building Maintenance Division, consisting of 125 positions, will be transferred from the General Fund to the new fund. The Building Maintenance Fund's FY 2001 operating budget totals \$6.1 million. In addition to the division move, the reorganization includes the reallocation of budgets for services previously provided by other departments whose facilities will now be included in the fund.

In addition to routine maintenance, this division will also provide capital improvements to facilities included in the fund. These improvements are funded through the annual per square foot charge to departments, mentioned above, which will be transferred to the Building Improvement & Contingency Fund. This fund will supplement the Facility Improvement and Maintenance Program (FIMP) which is in place for such improvements.

FY 2001 CAPITAL BUDGET

The FY 2001 Adopted Capital Budget totals \$202.66 million which represents a 5.4% increase from the FY 2000 Adopted Capital Budget of \$192.25 million. The overall increase can be attributed in part to higher expenditures in the Parks capital program as a result of the addition of the voter authorized and temporary 1/8 of a cent sales tax increase for Park Development and Expansion Projects. With the addition of the new Parks projects, Parks expenditures will increase \$9.8 million, or 46% more in expenditures FY 2001 than in FY 2000.

The Adopted Six Year Capital Budget for the years FY 2001 through FY 2006 totals \$614.3 million which represents an \$173.2 million, or 39%, increase over the \$441.1 million Six Year Capital Budget reflected in FY 2000. The new Six Year Capital Budget fully reflects the addition of \$65 million of Park Development and Expansion projects. Also reflected are \$24.7 million of Parking projects resulting from a new issuance of Parking Revenue Bonds.

FY 2001 CITY EMPLOYEE PERSPECTIVE

The City recognizes the dedication and commitment to public service portrayed by City employees. Among our most valuable assets, City employees are responsible for delivery of critical services to over one million citizens and over eight million visitors to the City each year. The City Council at the Goals & Objectives Worksession made the development of a competitively compensated and highly skilled workforce a budget priority. Specifically, the Council expressed the desire that the City's job classification and compensation plan be adjusted to reflect the realities of the job market. In response to this priority, the Adopted Budget contains several improvements with respect to workforce issues.

While the San Antonio area is enjoying record low unemployment rates estimated at 3.1%, the challenge today will be to ensure salaries and benefits are competitive with the local market in order to attract and retain employees. In recent months, many standards for hourly wages have been discussed in the community which will allow an individual to support a family of four at just above the poverty level. To this end, the Adopted Budget includes \$2.73 million in added resources in all funds (\$1.585 million in the

General Fund) to bring all City employees up to a Living Wage standard of \$8.25 per hour wage rate or \$17,160 per year.

In order to address the wage compression which will occur by bringing all employees to at least the \$8.25 per hour wage rate, the Adopted Budget also provides for implementation of a market adjustment to be implemented as follows: those persons in salary ranges that begin at less than or equal to \$17,160 will receive a four percent increase and those persons in salary ranges beginning at above \$17,160 will receive a three percent increase, and the City's Executive Team (Directors and Assistant Directors) will receive a two percent increase. The Adopted Budget includes \$5.18 million in all funds (\$3 million in the General Fund) to implement the market adjustment.

A comprehensive performance pay allocation study is underway with results anticipated to be available for use in evaluating employees for performance pay awards/accountability in FY 2002. As the City transitions to a more comprehensive performance pay system, a one-time incentive payment based on superior performance for outstanding employees is included in the Adopted Budget for FY 2001. The Adopted Budget includes \$5.8 million in all funds (\$3.3 million in the General Fund) to support this payment. This amount is calculated based on a one time payment equal to a 3% of each employee's annual salary and benefits. Based upon performance evaluated by each Department Head, the amount of the one-time award will vary with some employees getting more than 3%, some getting less and some not receiving any payment. Performance pay will be distributed to eligible employees beginning April 2001.

The Adopted Budget also sets aside another **\$8.6 million** in mandated improvements arising from requirements of the terms of the current collective bargaining agreements with the police and fire associations. Specifically, \$2.9 million is set aside in the Fire Department budget and \$5.7 million in the Police Department to pay additional 3% wage increases called for in the agreements, and additional longevity pay to firefighters and police officers as they gain tenure under the terms of the current contract.

Additionally, the Adopted Budget adds **\$544,437** to the Police and Fire department budgets to meet the state-mandated requirements to increase the City's match to the Fire and Police Pension Fund on behalf of each police officer and firefighter in FY 2001.

The Adopted Budget includes a reserve to provide the City Council with maximum flexibility in the selection of and transition to a new City Manager. Specifically, funds have been included to provide for use of an executive search firm (\$35,000) and for creation of a City Manager-designee position to allow for overlap if the Council so desires.

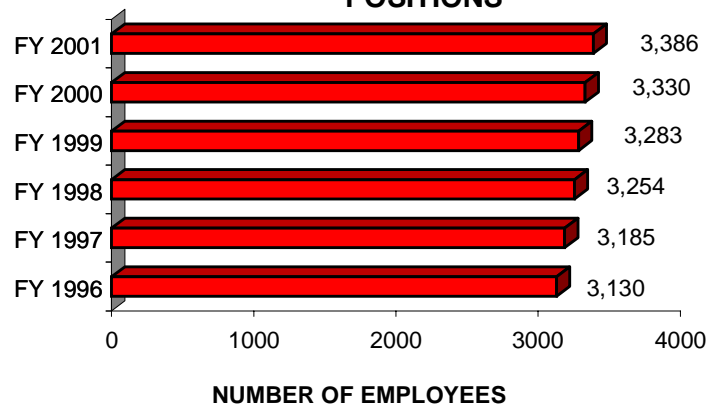
The following charts show the number of uniform and civilian positions authorized in the General Fund over the last six years. The charts provide a summary of the net result in positions after program reductions, mandates, program improvements, and reorganizations. The number of civilian positions reflect the transfer of 125 positions from the General Fund to the new Building Maintenance Internal Service Fund. This results in a net reduction of 29 civilian positions from FY 2000 to FY 2001. On the uniformed positions side, there is a net increase of 56 positions. With civilian and uniformed positions combined, there is an overall net increase of 27 positions in the General Fund.

The total number of positions in FY 2001 for all funds including grants will grow by 270 positions to 12,076. Of that total, 839 positions are grant funded.

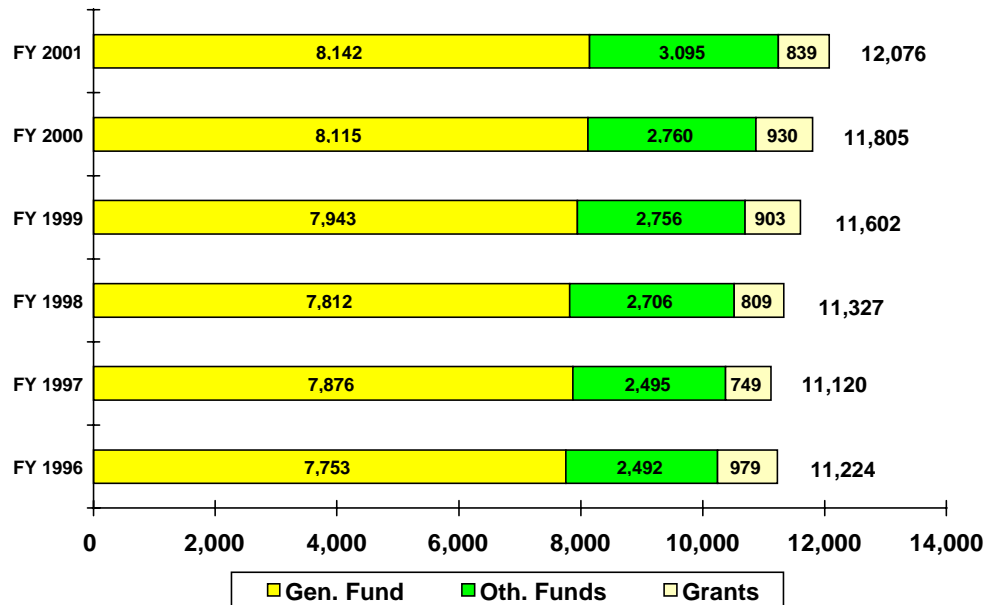
GENERAL FUND - AUTHORIZED CIVILIAN POSITIONS



GENERAL FUND - AUTHORIZED UNIFORM POSITIONS



ALL FUNDS - AUTHORIZED POSITIONS



CONCLUSION

The Adopted Budget for FY 2001 represents the staff's best professional judgment on a program of revenues and expenditures which provide for as high a level of basic services to the community as possible within the limits of available resources. The task was particularly challenging due to the desire to balance the budget without a tax rate increase and with due regard for the priorities identified by City Council this year. To that end, the Adopted Budget was balanced utilizing available beginning balances, re-estimated FY 2001 revenues, making operational reductions, and increasing fees and charges where appropriate to provide improvements to high priority programs.

Finally, the overall property tax rate will not be increased for the eighth consecutive year remaining at 57.979 cents per \$100 valuation. Continuing to focus on prudent financial management, the Adopted Budget includes a \$2.3 million increase to the City's Reserve for Revenue Loss for a total reserve of \$23.2 million by the end of FY 2001.